
96+BROADWAY

CONDOMINIUM OFFERING PLAN FOR

250 WEST 96TH STREET CONDOMINIUM

250 West 96th Street
New York, New York 10025

131 Condominium Residences*.....	\$458,745,000
28 Storage Bin Licenses.....	\$ 672,500
Total Offering	\$459,417,500

*The Condominium will also have One (1) Non-Residential Unit, which is not being offered for sale at this time, as well as Storage Bins (subject to Storage Bin Licenses). One (1) Residential Unit will be sold to the Condominium Board for the Resident Manager.

SPONSOR	SELLING AGENT
PARAGON JV PROP III LLC	Compass Real Estate
c/o JVP Management LLC	90 Fifth Avenue
767 Fifth Avenue, 12 th Floor	New York, New York 10011
New York, New York 10153	

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c/o JVP Management LLC	90 Fifth Avenue
767 Fifth Avenue, 12 th Floor	New York, New York 10011
New York, New York 10153	

Date of Acceptance for Filing: .

The term of the initial offer is twelve (12) months commencing on the Date of Acceptance for Filing. The term may be extended by a duly filed amendment to the offering plan.

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER PLAN CONSUMMATION, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR. (SEE SPECIAL RISKS SECTION OF THE PLAN). PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN. THIS OFFERING PLAN IS THE 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 GOVERNMENT AGENCY HAS APPROVED THIS OFFERING. THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE (1).

TABLE OF CONTENTS

PART I

A.	SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS.....	1
B.	INTRODUCTION	1
	1. The Offering Plan	1
	2. The Condominium	2
	3. Features of Condominium Ownership	2
	4. Offering of Units for Sale	5
	5. Resident Manager's Unit	7
	6. Offering of Storage Bin Licenses	8
C.	CERTAIN DEFINITIONS	10
D.	DESCRIPTION OF PROPERTY AND IMPROVEMENTS.....	18
	1. Construction of the Building.....	18
	2. Residential Units.....	19
	3. Non-Residential Unit	20
	4. General Common Elements	21
	5. Residential Common Elements.....	22
	6. Residential Limited Common Elements	22
	7. Non-Residential Common Elements.....	23
	8. Services and Facilities.....	23
	9. Amenities.	24
	10. Storage Bins.	25
	11. Resident Manager's Unit	26
	12. General Provisions Concerning Services and Facilities.	27
	13. Security Procedures	29
E.	LOCATION AND AREA INFORMATION.....	30
	1. Location and Services	30
	2. Surrounding Area.....	30
	3. Shopping, Commercial and Recreational Facilities.....	30
	4. Schools.....	30
	5. Transportation	31
	6. Police, Fire, Water, Postal Service, Sanitation, Snow Removal and Road Maintenance	31
	7. Medical Facilities.....	31
	8. Religious Facilities.....	31
	9. Zoning and Use.....	32
	10. Future Developments	32
F.	OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A.....	33

G.	BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION, SCHEDULE B...	42
H.	BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1	44
I.	COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i.....	45
J.	NON-RESIDENTIAL SECTION.....	46
K.	CHANGES IN PRICES AND UNITS	49
L.	INTERIM OCCUPANCY AGREEMENTS	52
M.	PROCEDURE TO PURCHASE.....	54
	1. General Information.....	54
	2. Escrow and Trust Fund Requirements.....	59
	3. Date of the First Closing; Closing Notices	63
	4. Default.....	64
	5. Prohibition Against Advertising, Selling or Leasing.....	65
	6. Risk of Loss	65
	7. Financing.....	66
	8. Transfer Taxes and Mansion Tax	66
	9. Unit Owner Power of Attorney.....	68
	10. Foreign Missions: Required Notification and Waiver of Diplomatic or Sovereign Immunity.....	69
	11. Dispute Arbitration	69
	12. Sponsor's Rights if Purchaser Elects Not to Exercise Option or Does Not Comply with the Option Agreement.....	71
	13. Statute of Limitations to Claim Sponsor Breach of Option Agreement	72
	14. Financial Crimes Enforcement Network Disclosure	72
	15. Delivery of Closing Documents.....	72
	16. Storage Bins	73
N.	ASSIGNMENT OF PURCHASE AGREEMENTS.....	75
O.	EFFECTIVE DATE.....	76
P.	TERMS OF SALE	78
	1. Preconditions for Closing	78
	2. Acceptance of Deed	83
	3. Condition of Unit.....	83
	4. Tax-Deferred Exchanges	84
	5. Risk of Loss	84
Q.	CLOSING COSTS AND ADJUSTMENTS.....	86
	1. Title Insurance.	86
	2. Recording Charges.....	87
	3. Mortgage Tax Credit.....	87

4. Transfer Taxes.....	87
5. Mansion Tax and New Supplemental Tax.....	89
6. Closing Fees.....	90
7. Working Capital Fund and Reserve Fund.....	91
8. Common Charges.....	91
9. Mortgage and Related Costs.....	92
10. Fees for Delay.....	95
11. Resident Manager's Unit.....	96
12. Other Fees.....	96
 R. RIGHTS AND OBLIGATIONS OF SPONSOR.....	97
1. Sponsor's Obligations with Respect to the Building.....	97
2. Alterations of Unsold Units.....	107
3. Insurance.....	108
4. Casualty.....	108
5. Dissolution.....	109
6. Successors to Sponsor.....	109
7. Reservation of Air and Development Rights.....	110
8. Right of Access.....	110
9. Miscellaneous.....	110
10. General.....	111
11. Construction Dispute.....	112
 S. CONTROL BY SPONSOR.....	113
 T. CONDOMINIUM BOARD.....	116
 U. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE CONDOMINIUM BOARD.....	119
1. Sales and Leases of Units.....	119
2. Use of Units.....	121
3. Mortgage of Units by Unit Owners.....	122
4. Common Charges: Determination and Assessment.....	123
5. Common Charges: Collection and Lien for Non-Payment.....	124
6. Repairs to and Maintenance of Units and Common Elements.....	125
7. Alterations and Improvements of Units and Common Elements.....	126
8. Rights of Access.....	128
9. Compliance with Terms of Declaration, By-Laws and Rules and Regulations.....	128
10. Examination of Books and Records.....	128
11. Repair or Reconstruction after Fire or Other Casualty.....	128
12. Insurance.....	129
13. Liability of Condominium Board and Unit Owners.....	131
14. Reports to Unit Owners.....	131
15. Termination of Condominium.....	131
16. Confidential Information.....	132
17. Units Acquired by Board.....	132

18. Procedure to Review Real Estate Tax Assessments	132
19. Mechanics' Liens	133
20. Litigation.....	133
21. Easements and Name of Condominium.....	133
22. The Declaration and By-Laws	133
V. REAL ESTATE TAXES	135
W. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM.....	138
1. Deductibility of Mortgage Interest and Real Estate Taxes	138
2. Taxation of the Condominium	139
X. TAX OPINION OF HOLLAND & KNIGHT LLP	140
Y. 339-I OPINION OF HOLLAND & KNIGHT LLP	148
Z. REAL ESTATE TAX OPINION OF MARCUS & POLLACK	151
AA. WORKING CAPITAL FUND AND THE RESERVE FUND AND APPORTIONMENTS.....	152
BB. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES	154
1. Management Agreement.....	154
2. Regulatory Agreement	157
CC. IDENTITY OF PARTIES.....	160
1. Sponsor	160
2. Attorneys for Sponsor	160
3. Sponsor's Architects/Engineers	161
4. Sponsor's Budget Expert	161
DD. REPORTS TO UNIT OWNERS	162
EE. DOCUMENTS ON FILE	163
FF. GENERAL.....	164
GG. DEVELOPMENT RIGHTS.....	166
HH. SPONSOR'S STATEMENT OF BUILDING CONDITION.....	167

TABLE OF CONTENTS

PART II

Exhibit 1	AGREEMENT
Exhibit 2	STORAGE BIN LICENSE PURCHASE AGREEMENT
Exhibit 3	STORAGE BIN LICENSE AGREEMENT
Exhibit 4	FORM W-9
Exhibit 5	FORM W-8
Exhibit 6	POWER OF ATTORNEY
Exhibit 7	FORM OF UNIT DEED
Exhibit 8	DESCRIPTION OF PROPERTY
Exhibit 9	FLOOR PLANS
Exhibit 10	DECLARATION OF CONDOMINIUM
Exhibit 11	CONDOMINIUM BY-LAWS
Exhibit 12	CERTIFICATION OF SPONSOR AND PRINCIPALS
Exhibit 13	CERTIFICATION OF SPONSOR'S ARCHITECT
Exhibit 14	CERTIFICATION OF SPONSOR'S BUDGET EXPERT
Exhibit 15	CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF NON-RESIDENTIAL COMMON CHARGES
Exhibit 16	REGULATORY AGREEMENT

PART I

A. SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS

The purchase of a condominium unit has many significant legal and financial consequences and may be one of the most important financial transactions of your life. The Attorney General of the State of New York strongly urges you to read this Offering Plan carefully and to consult with an attorney before signing an agreement to purchase a condominium unit.

1. **Use of Units.** 250 West 96th Street Condominium (the “Condominium”) contains 131 Residential Units and 28 Storage Bin Licenses that are being offered for sale under this Offering Plan. The Residential Units may generally be used only for residential purposes and, subject to compliance with the Declaration and the By-Laws, for lawful home occupation as defined in the New York City zoning resolution; and may be leased by the Unit Owners thereof to tenants only for periods of not less than one year. There is also one (1) Non-Residential Unit, which is not being offered for sale at this time. Following consummation of the Plan, the Unsold Residential Units may be leased by Sponsor, its designee or by an Owner of Unsold Residential Units for any period of time, for any use and on any terms which are consistent with the then existing certificate of occupancy for the Building.

Sponsor makes no representations whatsoever with respect to the uses to which all or any portion of the Non-Residential Unit or their appurtenant Common Elements or any public spaces within the Building may be put at any time; nor does Sponsor make any representation with respect to the identity of the owners or users or future owners of any of the Non-Residential Unit at any time.

The Non-Residential Unit will initially be used for retail purposes (and ancillary uses) but may be used for any legal purpose, except that the following uses are prohibited pursuant to the Condominium’s By-Laws: pornography store, massage parlor, drug treatment facility, a video arcade, betting parlor or other gambling related establishment. The Board will have no right to restrict or limit any of the uses of the Non-Residential Unit which are permitted by Law and applicable zoning ordinances, except as otherwise set forth in the By-Laws and Declaration. During the Initial Control Period, Sponsor shall not exercise its control over the Board to amend By-Laws of the Condominium to permit any of the prohibited uses in the Non-Residential Unit in the hereinabove. No representation or warranty is made with respect to such initial or any subsequent uses of such Non-Residential Unit or with respect to who the owner or tenant(s) of the Non-Residential Unit may be at any time. As a result, in the future a Non-Residential Unit may be used for non-retail purposes.

2. **Financial Crimes Enforcement Network Disclosure.** Purchasers are advised that the Director of the Financial Crimes Enforcement Network, U.S. Department of the Treasury (“FinCEN”), has recently extended and expanded an earlier issued Geographic Targeting Order (“Order”) that applies to any corporation, partnership, limited liability company, or other similar business entity (“Covered Purchaser”) using cash, a cashier’s check, certified check, traveler’s check or money order in any form, whether wholly or in part, without a bank loan or other similar form of external financing, to purchase a Residential Unit in the Borough of Manhattan from

Sponsor for a total price in excess of \$300,000 (a “Covered Transaction”). The Order provides that in the event a Covered Purchaser enters into a Covered Transaction, the Covered Purchaser shall be required to deliver to the Title Company at Closing all documents and information necessary in order for the Title Company to comply with the requirements set forth in the Order, including without limitation the requirement to file a completed FinCEN Form 8300. Any failure by the Covered Purchaser to deliver such documents and information shall be deemed an Event of Default under the Agreement. Purchasers are advised to refer to the text of the Order itself for further details: https://www.fincen.gov/news_room/nr/files/Real_Estate_GTO-NYC.pdf. See the Section of the Plan entitled “Procedure to Purchase”.

3. **Sponsor’s Obligations to Sell.** Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Residential Units. Sponsor may unconditionally elect to rent rather than sell Residential Units from time to time after the consummation of the Plan. Residents of the Condominium may be comprised of Residential Unit Owners and tenants leasing from Sponsor or other Residential Unit Owners. Accordingly, it is possible that a significant proportion of Residential Unit Owners will not be Residents of the Building and that a significant portion of tenants in the Building may not be Residential Unit Owners, and a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Further, Residents of the Condominium who are not Unit Owners 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). Because Sponsor is not limiting the conditions under which it will rent rather than sell units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may not gain control and management of the Condominium, until the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws). Notwithstanding the expiration of the Initial Control Period, as the Sponsor has the unconditional right to rent Units, it may always hold a majority of the Units and thereby control the Board indefinitely. See the Section entitled “Rights and Obligations of Sponsor” in Part I of the Plan for further detail.

4. **Effectiveness.** 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 (i.e., agreements signed by bona fide Purchasers for fifteen percent (15%) of the Units (20 Units) offered under the Plan). Sponsor may declare the Plan effective after selling a minimum of fifteen percent (15%) of the Units offered for sale in the Building. Even if the Plan is declared effective with a minimum number of sales, it is possible that Sponsor may be able to submit the Property to a condominium regime and convey Units with fewer than a minimum number of sales if Purchasers counted towards effectiveness do not ultimately purchase a Unit. Please refer to the Section entitled “Effective Date” in Part I of the Plan for further details. Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Residential Units. See Section of the Plan entitled “Rights and Obligations of Sponsor” for further detail.

The Plan may, at the option of Sponsor, be abandoned a) at any time before it is declared effective and b) after it is declared effective in the event of: (1) the existence of one or more title defects affecting any one or more Units or the Property that cannot be removed, cured or complied with or without litigation or for less than one-half of one percent of the Total Offering; (2) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than one-half of one percent of the Total Offering; or (3) a taking of all or part of the Property in condemnation proceedings or by eminent domain. See the Sections entitled “Description of Property and Improvements” and the “Rights and Obligations of Unit Owners and the Condominium Board” for further discussion.

5. **Financing.** Although a Purchaser may obtain financing from a lending institution or any other source, his or her obligation to purchase a Unit pursuant to his or her Agreement shall not be contingent on obtaining financing for such purchase. 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 pre-qualify for financing with their lender before signing an Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be fixed, and it could expire before the Closing Date. In addition, given the current economic climate, a lending institution could withdraw its commitment if, for example, it believes a Purchaser’s financial condition has worsened or that the Unit’s appraised value has decreased. Please refer to the Section entitled “Procedure to Purchase” in Part I of the Plan for further details.

If Purchaser obtains a mortgage loan for the purchase of the Unit (the “Purchase Money Mortgage”), the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which the Purchaser may be entitled pursuant of Section 339-ee(2) of the Condominium Act, which sum shall be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require in its sole discretion a Purchaser who is financing the purchase of said Unit with a Purchase Money Mortgage, to cause the lender making such loan to accept from the 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, that portion of the Purchase Money Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must 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.

Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on loans. Some restrictions include requiring that a certain percentage of the Units in a building be sold before the lender will consider making a loan. Even after the First Closing has occurred, lenders may still impose minimum sales requirements as a condition to making a loan for which commitments have been issued. It may be possible for a Purchaser to experience difficulty obtaining a loan in a building where the percentage of Units purchased is lower than a lender’s particular sales minimum. Moreover, in the current economic climate, lenders are imposing higher loan to value requirements, making it more difficult for Purchasers to obtain a loan to finance the purchase of their Unit. (See the Section entitled

“Procedure to Purchase” for further details.)

6. **Fannie Mae and FHA.** To the extent permitted by applicable Law, the provisions of the Declaration and By-Laws may comply with certain requirements of Federal National Mortgage Association (“Fannie Mae”) and the Federal Housing Authority (“FHA”). Sponsor, at its sole cost and expense, may file applications with Fannie Mae and FHA in order to have the Condominium added to a list of “approved” condominiums. There is no guaranty or assurance that Sponsor will complete said applications or satisfy the criteria for approvals, or in the event that either or both of the Fannie Mae and FHA requirements are satisfied, whether the Condominium will continue to satisfy such criteria. Purchasers should further be advised that if FHA approval is granted to the Condominium, no more than thirty percent (30%) of the total Units may be encumbered by FHA securitized, guaranteed or insured loans. It shall not be a basis for a Purchaser to rescind an Agreement if for any reason, Sponsor’s application to either or both of Fannie Mae and FHA, is not submitted or approved. In addition, in accordance with the requirements of Fannie Mae and FHA, at least ten percent (10%) of the total operating budget for the first year of Condominium operation, or a lesser amount pursuant to a reserve study, is required to be set aside for a capital repair and replacement reserve fund in order to fund the replacement reserves for capital expenditures and deferred maintenance (the “Reserve Contribution”), as more particularly described in the projected “Budget for First Year of Condominium Operation, Schedule B”, in Part I of the Plan. There is no guarantee or assurance that the Reserve Contribution will be provided as a line item in the operating budget after the first year of Condominium operation or that Purchasers will be able to obtain mortgages insured by Fannie Mae and/or FHA. The Board reserves the right, in its sole discretion (including without limitation during the Initial Control Period) to use the Reserve Contribution towards any capital expenditures it deems appropriate. The Reserve Contribution can only be used for the repair and replacement of the Common Elements or the Residential Common Elements, as the case may be. Please refer to the Section entitled “Introduction” in Part I of the Plan.

7. **Purchase Payments.** The agreement to acquire a Residential Unit is a combination Option Agreement and Purchase Agreement (the “Agreement”). At the time an Agreement is executed, a Purchaser is required to make a payment in an amount equal to at least ten percent (10%) of the Purchase Price (the “Initial Option Payment”); and an additional option payment equal to 5% of such Purchase Price (the “Additional Option Payment”) is due and payable no later than the earlier to occur of: (x) one hundred eighty (180) days after the date of the Agreement; or (y) 30 days after Sponsor serves Purchaser with written notice of an amendment to the Offering Plan declaring the same effective, but in no event later than the closing of title to the Unit; provided, however, that with respect to Agreements entered into after the Offering Plan has been declared effective, Sponsor reserves the right to require both the Initial Option Payment and the Additional Option Payment due and payable upon execution of the Agreement. The term “Option Payment” or “Payment” as used herein refers to both the Initial Option Payment and, if the same has been paid at the time in question, the Additional Option Payment. At the Closing, the Option Payments will be applied to the Purchase Price of the Residential Unit. The Initial Payment for a Storage Bin License is fifteen percent (15%) of the gross Purchase Price of the Storage Bin License. The term “Payment” as used herein refers to both the Initial Payment and, if the same has been paid at the time in question, the Additional Payment, as well as any Payment in connection with the purchase of a Storage Bin License. At the Closing, the amount of the Payments will be applied to

the Purchase Price of the Unit, the Storage Bin License. In the event the Purchaser fails to close through no fault of the Sponsor, the Sponsor will retain the Payments unless the Attorney General's Regulations or this Plan provide to the contrary.

Foreign governments and persons with diplomatic immunity will be obligated to make an Initial Option Payment in an amount equal to at least fifty percent (50%) of the Purchase Price on the execution of an Agreement. In the event a Purchaser defaults under his or her Agreement and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, cancel such Agreement and retain, as liquidated damages, the entire Payment made by the Purchaser, together with interest earned thereon, if any. TIME IS OF THE ESSENCE (described in the Definitions section below) to a Purchaser as to a Purchaser's obligations pursuant to the Agreement, including, without limitation, for the payment of the balance of the Purchase Price.

Notwithstanding the Payments being Option Payments, they will be held in escrow by the Escrow Agent pursuant to the terms of this Offering Plan. See the Purchase Agreement in Part II of the Plan.

8. **Default.** The only construction prerequisite to Closing is the issuance of i) a TCO for the Unit or ii) a FCO for the Building. As such, each Purchaser shall be required to close title to their particular Residential Unit once a TCO is issued irrespective of outstanding items of work, provided Sponsor has satisfied the closing conditions set forth in the Section of the Plan entitled "Terms of Sale". In the event that a Purchaser fails to close title on the date set for Closing or otherwise fails to perform any other obligation under his or her Agreement, and such default is not cured within thirty (30) days after Sponsor gives written notice to such Purchaser of the default, Sponsor may, at its option cancel such Agreement and retain as liquidated damages the Payment made by the Purchaser, together with all interest earned thereon and shall be reimbursed by Purchaser for the cost of removing changes to the Unit requested by the Purchaser and putting the Unit back to the condition described in this Plan. Additionally, if a Purchaser fails for any reason to close title to his or her Unit, Storage Bin on the originally scheduled closing date and Sponsor elects not to cancel the Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled closing date, and (b) the Purchaser will be required to pay to Sponsor an amount equal to 0.04% of the Purchase Price of the Unit, Storage Bin in question for each day that the Closing is adjourned.

In the event a Purchaser defaults and the Option Payment previously paid (together with any interest thereon) is retained by Sponsor (subject to the terms of the Plan), as liquidated damages, it is acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Option Payment (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred and shall be paid by Purchaser to, and retained by, Sponsor. In such case, Purchaser shall have no further liability to Sponsor in respect of the Agreement (except for those matters expressly specified therein or herein

to survive the termination hereof). Purchaser shall not have any right whatsoever to the return of all or any portion of its Option Payment (or any interest thereon). The election by Sponsor to retain and the retention by Sponsor of the Option Payment (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

Purchasers are further advised that if a Purchaser makes the Option Payment in excess of \$250,000 for the purchase of a Unit, such Payment will not be federally insured in excess of \$250,000; (ii) if Purchaser has accounts at the same bank as the Master Escrow Account Purchaser's Option Payment and the funds in such accounts will not be federally insured in excess of \$250,000 in the aggregate; and (iii) while the Payment are in the non-interest bearing checking portion of the Master Escrow Account, the Payment may not be fully federally insured even if the Payment does not exceed \$250,000. Funds drawn on out-of-state or foreign banks will not be accepted as payment of the Payment of the Purchase Price for a Unit unless otherwise agreed by Sponsor.

For purposes of this Plan and the Agreement, the term "TIME BEING OF THE ESSENCE" shall mean that a failure by Purchaser to do what is required at the time specified in the Agreement is a material breach of the Agreement and an Event of Default entitling Sponsor to the remedies set forth in this Plan and the Agreement. Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan.

All funds received by the Sponsor for upgrades or extras will be initially be placed in an escrow account. However, Purchasers should note as a special risk that such funds may be released from the escrow account by the Escrow Agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event a Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for upgrades or extras. Notwithstanding the foregoing, if Sponsor abandons the Plan, all funds received by Sponsor for upgrades or extras will be returned to Purchasers. See the Section entitled "Procedure to Purchase" for the further discussion of the foregoing.

9. **Control of the Condominium**. The Condominium will have a Condominium Board (the "Board") which will have the powers and duties necessary and incidental to the administration of the affairs of the Condominium. The Board which will, after the Initial Control Period, as hereafter defined, consist of elected representatives of the Unit Owners. Sponsor, as the owner of Unsold Units will have control of the Board during the period which continues until the earlier to occur of: (i) the closing of title by Sponsor or its designees of all the Residential Units or (ii) five (5) years after the First Closing (the "Initial Control Period"). During the Initial Control Period, 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 all meetings, each Unit Owner (or his or her proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each percentage of Common Interests pertaining to the Unit Owner's Unit.

During the Initial Control Period, the Board shall consist of three (3) persons designated by Sponsor, although, Sponsor reserves the right to designate fewer than three (3)

persons to the Board. Commencing with the First Annual Meeting, the Board shall consist of six (6) persons chosen by the Residential Unit Owners (including the Sponsor) and one (1) person designated by the Non-Residential Unit Owner.

All determinations with respect to the continuance or discontinuance of any of the services in the Building, will be made by the Board, which will be controlled by Sponsor for so long as there are Units owned by Sponsor or until five (5) years after the First Closing, whichever is earlier. Notwithstanding the expiration of the Initial Control Period, as the Sponsor has the unconditional right to rent Units, it may always hold a majority of the Units and thereby control the Board indefinitely. (See the Section entitled “Control by Sponsor”). Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property. Neither Sponsor, the Managing Agent nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or the Board, as the case may be.

The sale or lease of a Residential Unit is subject to a right of first refusal by the Board. Leases of Units, other than Unsold Units, may not be for terms shorter than one (1) year. The Condominium Board does not have the right to approve or disapprove purchasers, and as a result, there is no limit on the number of owners who may purchase a Unit for investment rather than for personal occupancy, and there may always be a substantial percentage of Unit Owners who are non-Residents. However, the Board, to the extent permitted by Law, has the right to reject sales and leases to Purchasers and tenants who themselves (or Residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. (See the Section entitled “Control by Sponsor”)

10. **Board Members.** The By-Laws do not include a provision that after the expiration of the Initial Control Period, a majority of the Board must be Unit Owner-occupants or members of a Unit Owner-occupant’s household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. See the Sections of this Plan entitled “Control by Sponsor” and “Condominium Board” for further discussion.

11. **Sponsor Veto Powers.** Although Sponsor and its designees may exercise veto power over some actions of the Board, Sponsor may not exercise veto power over expenses described in Schedule B or over expenses required (i) to comply with applicable Laws or regulations; or (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer, or iv) any matter affecting the health and/or safety of the occupants of the Property. Sponsor may exercise veto power over expenses other than those described in the foregoing sentence, for a period ending not more than five (5) years after the closing of the first Unit or whenever the Unsold Units constitute less than twenty five percent (25%) of the Common Interest, whichever is sooner. Until Sponsor and its designees have conveyed title to seventy-five percent (75%) of the Units,

but in no event later than five (5) years after the First Closing, the Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, Reserve Contribution or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as it required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (i) (and no other alternative is available) to enable the Board to comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium or any matter affecting the health and/or safety of the occupants of the Property. See the Section entitled "Control By Sponsor" for further details.

12. **Amendments.** 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 or its designee or the owner of any Unsold Units, as the case may be, with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Units, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Units, as the case may be. See the Section entitled "Rights and Obligations of Unit Owners and the Condominium Board".

13. **Power of Attorney.** Each Purchaser will be obligated to enter into a power of attorney at the closing of title to a Unit. The form of power of attorney, set forth in Part II of the Plan, grants broad powers to the Board to enter into agreements affecting the Common Elements. The power of attorney also grants to Sponsor the right to amend the Declaration with respect to any Unsold Unit. Please refer to the form of power of attorney set forth in its entirety in Part II of the Plan.

14. **Construction.** Construction in general is a complicated process requiring the coordination of numerous concurrent tasks and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays or difficulties and necessarily involve noise, disruption and inconvenience. Thus, for a period of time following the First Closing through, including and beyond the closing of title to any particular purchaser's Residential Unit, work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Units (to perform custom renovations, etc.); and (iii) the Non-Residential Unit Owner to complete equipping their Units. Prospective Purchasers are advised that the services and amenities described in the Plan will be available within 18 months of the First Closing subject to Force Majeure Events. However, as of the First Closing, the Residential Lobby will be attended twenty-four (24) hours a day, seven (7) days a week, and there will be at least one (1) elevator servicing every floor on which there are

occupied Residential Units. During at least the first year of operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of renovation, fitting out of, and moving into, the Units and other portions of the Building which may compromise the security of the Building from time to time. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein.

Various systems, including, but not limited to, water supply, air conditioning, heating, cooling, gas, electric, ventilating and other systems, and elevators, may require more than a year after any particular Residential Unit closing to complete and may be disrupted temporarily and from time to time (systems constituting Common Elements may require more than a year after any particular Residential Unit closing to complete, but all systems within a Residential Unit that must be completed as a requirement for the issuance of a temporary certificate of occupancy covering such Residential Unit will be functioning at the time of closing). Elevators and personnel may be taken out of service and diverted to facilitate construction, and exterior hoists, sidewalk overhead protection, and loading/unloading areas may be in place during at least the year following the First Closing, and from time to time thereafter, as needed, in connection with construction being performed in Units by the Unit Owners thereof, Sponsor and/or tenants of such Units. Various other adjustments, to windows, hoist run units, exterior elements, elevators and other systems and amenities, may require eighteen (18) months after the First Closing to complete. Sponsor may not fully complete the decoration of the Lobby or the corridors in the Building, including but not limited to installing light fixtures, hanging wall coverings or laying carpeting, until after that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter.

All of the foregoing work and conditions will create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities, services and benefits anticipated to be available to Residential Unit Owners may not be available until such other portions of the Building are completed and fully operational. Further, the Board and/or Sponsor may refuse to permit a Residential Unit Owner to perform alterations in a Residential Unit until such time as the Building has been completed and a final certificate of occupancy has been obtained therefor. Even where such alterations are permitted, the Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service period or periods of potential disruption to the Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates. The Building Stack is code compliant. Please refer to the Section of the Plan entitled "Description of Property" in Part I of the Plan for further details.

During the period when Sponsor is completing the construction to the Building, move-ins into the Building may be restricted to certain periods when the elevators and other access to the Building are not being utilized by the construction trades. The first temporary certificate of occupancy may be issued for some but not all of the Units and Sponsor may complete construction of certain Units before others. Purchasers should also note that even if the First Closing occurs on

or before January 1, 2023 (or such other date projected as the date of commencement of operation at the time the 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 temporary certificate of occupancy has not been issued for such Units or for the floor on which such Units are located. Accordingly, Purchasers may not be able to close title to their respective Unit(s) for some period of time after signing their respective Agreement and after the First Closing. In such a case, provided that the Sponsor is pursuing completion of construction and issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of substantial 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.

15. **Delay of Closing.** Based upon the construction schedule anticipated as of the initial filing date of this Plan, Sponsor presently contemplates that, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, governmental restrictions, acts of God or other events beyond its reasonable control, construction of the Building will be sufficiently completed to permit closings of title to Residential Units to begin on or about January 1, 2023. Prospective Purchasers should note, however, that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date.

Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for his or her Residential Unit or otherwise be relieved from any obligations under the Option Agreement, in the event that the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed or postponed by Sponsor, or in the event that any of the conditions described above occur, or in the event of non-completion of any item of construction on any projected date, or compensations for the presence of scaffolding on any portion of the Building or any interruption of services in the Building; provided, however, that in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised Condominium budget with current projections, and (i) if such amended budget exceeds the projected Condominium budget set forth herein by twenty-five percent (25%) or more; or (ii) subject to a Force Majeure Event, if the First Closing does not occur within twelve (12) months after January 1, 2023, the date set forth in Schedule B — "Projected Budget for First Year of Condominium Operation" as the commencement date for the projected First Year of Condominium Operation, then in the case of either (i) or (ii) Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Option Agreements unless the delay is caused by a Force Majeure Event, if the Plan has been declared effective) the right to rescind their Option Agreements within fifteen (15) days after the presentation date of the amendment containing such revised budget or after such twelve (12) month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Payment and any interest accrued thereon returned. In the event of a Force Majeure Event, the date indicated above shall be extended by the time the Force Majeure continues or such longer

time pursuant to government order. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable Law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section entitled "Effective Date" in Part I of the Plan, no closing of title to any Unit offered hereunder will take place prior to the Plan being declared effective.

Purchasers should note that even if the First Closing occurs on or before January 1, 2023 (or such other date projected as the date of commencement of the operation at the time the Purchase Agreement was entered into) or within the twelve month period thereafter, the Closing of subsequent Units may be substantially delayed beyond such dates if a TCO has not been issued for such Units or for the floors on which such Units are located. In such case, provided that Sponsor is diligently pursuing completion of construction and the issuance of a Certificate of Occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full Purchase Price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. Unless your 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 Unit will occur by any date certain. See the Section entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further discussion.

16. **Warranties.** Upon Closing a Residential Unit, the Purchaser will receive warranties for the appliances in the Unit. Except as contained on Purchaser's inspection statement Sponsor shall not be obligated to correct, repair, or replace any defects relating to construction of the Units, the Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. As more fully set forth in the Section of the Plan entitled "Rights and Obligations of Sponsor" Sponsor is obligated to construct the Building in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of this Offering Plan. The Housing Merchant Implied Warranty Law (General Business Law Article 36-B) is not applicable to this offering. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability of any Unit or Common Element. Unless caused by a violation of the sound transmission code, noise code or other applicable code, there is no warranty as to sound transmission. Unless caused by a failure of Sponsor to comply with the Laws and the Plans and Specifications, Sponsor is not responsible for, nor can it make any guarantees regarding odors, levels of noise or vibrations resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners in their Units. Unless caused by a code violation or a violation of Law, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to air, view or light quality. Sponsor's obligation, regardless of any limitations in the warranty, is to construct the premises in accordance with all applicable Laws, the Plans and Specifications, and any conflict between (a) the disclaimers and (b) Sponsor's obligation to construct the premises in accordance with all applicable Laws the Plans and Specifications, shall be resolved in favor of the latter. In no event will Sponsor be liable for incidental, special or consequential damages.

17. **Certificate of Occupancy.** Sponsor is obligated to procure the final certificate of

occupancy for the entire building, and shall exercise best efforts to obtain the final certificate of occupancy within a two year period while keeping the temporary certificate of occupancy current. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”) covering the entire building but with only a temporary certificate of occupancy (“TCO”), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local Codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings (“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 a 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 a FCO covering the entire building within two (2) years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the DOB will issue the FCO within such two year period. 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 shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

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

Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A fact sheet on certificates of occupancy is available on its website at http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

Purchasers should seriously consider negotiating their closings based on a FCO, not a TCO. If purchasing a Unit covered by a TCO, Purchasers should consult a licensed architect or engineer to determine what work has to be done in order for the Building to receive a FCO. Purchasers are advised to visit the Department of Buildings’ website for further recommendations when purchasing a Unit that does not have a FCO. See the Section of the Plan entitled “Rights and Obligations of Sponsor”.

18. **Unit Alterations.** In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the

consent of the Board, Unit Owner or a mortgagee, to (a) change the layout of, or number of rooms in any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering the 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, (c) designate a Common Element as part of the Unit or designate all or part of a Unit as a newly created Common Element (provided that the excluded section of the Common Elements or any addition thereto would not materially affect a Purchaser or Unit Owner, including, without limitation, amenities offered under the Plan), (d) re-designating in an amendment to the Declaration a portion of a subdivided Unit of one type (e.g., a Non-Residential Unit) as a Unit of another type (e.g., Residential) and (e) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. Please see the Section of the Plan entitled "Changes in Prices and Units" for further details.

In such event, the Common Interest appurtenant to any diminished Unit will decrease and such reduced Common Interest will be allocated to and/or among the newly created and/or configured Units. Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such changes among the Unsold Residential Units and to amend the Plan so as to reflect the same.

Notwithstanding the foregoing, where an Agreement for a Residential Unit has been countersigned by Sponsor and returned to Purchaser, no material change will be made in a Unit's size, layout or proportionate share of aggregate common interest unless (i) the affected Purchaser consents; (ii) the Purchaser is in default beyond all applicable grace and cure periods and has not contested a declaration of default or (iii) the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Law, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where, in the exercise of sound construction management practices, no practicable alternative exists), and in such event covered by this clause (iii), Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least 15 days, to rescind their Agreement(s) and receive a refund of their Payment(s), together with all interest earned thereon. There is a rebuttable presumption that a Unit size that is diminished by 5% or less is not material. See the Sections entitled "Changes in Prices, Residential Units" in Part I of the Plan for further discussion.

The Sponsor as well as the Board may refuse to permit a Unit Owner to perform alterations in a Unit until such time as the Building has been completed and a FCO has been obtained therefor. In addition, certain services, such as cable, computer, and other similar services may be provided by outside suppliers and delays in these services will not be the responsibility of the Sponsor unless such delays are caused by the Sponsor. All alterations to a Unit or the Building or services for a Unit Owner or the Building shall be performed in a manner which will not interfere with, or cause any labor disturbances or stoppages in, the work of Condominium employees, or other contractors or subcontractors employed in the Units or the Building; and in all events, in compliance with the Declaration, the Condominium By- Laws, the Rules and Regulations, the overall Building standards and applicable Laws. In furtherance of the foregoing, the Board may

require that the Board also assume and/or subject itself to the applicable union contracts. Please see the Section of the Plan entitled “Changes in Prices and Units” for further details.

19. **Real Estate Taxes.** The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes for the residential portion of the Building payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit’s percentage Common Interest. Upon determination of individual tax lots and individual Unit assessments, the New York City tax authorities may allocate taxes between the Units in proportion to each Unit’s Purchase Price rather than its percentage interest in the Common Elements, and, if so, Units having the same percentage interest may pay different amounts of real estate taxes. The real estate taxes payable the first year of the Condominium’s operation is based on an assessment of the Building as partially completed. Once the Building is fully assessed, the real estate taxes will be higher. Please refer to the Section of the Plan entitled “Real Estate Taxes” in Part I of the Plan for further details.

In addition, the New York City tax authorities may assess taxes against the Building in a different manner and in a different amount than that assumed by Sponsor’s real estate tax attorney and, if so, Unit Owners may pay significantly different real estate taxes than those set forth on Schedule A. Sponsor can only estimate, based on reasonable, professional third party expert assumptions, what the real estate taxes for each Unit will be. Only the New York City tax authorities will make the actual determination upon the filing of tax lots. (See the Sections entitled “Offering Prices and Related Information, Schedule A” and “Real Estate Taxes” in Part 1 of the Plan for further discussion.)

20. **Diplomatic Immunity.** Purchasers who have diplomatic immunity will be required to expressly waive any and all immunity from suit by the Sponsor and the Board. In addition, 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) will be required at the time of closing of title to such Purchaser’s Unit, to deposit with the Board an amount equal to two years’ estimated Common Charges.

21. **Contingency.** The Contingency provided for in the projected budget for the first year of Condominium operation (Schedule B) is intended to provide a fund for unanticipated expenses not included in the budgets and for increases in operating expenses above the amounts projected. Additionally, a Reserve Contribution may be established to conform to Fannie Mae requirements for an amount to be set aside as a reserve for capital repairs and replacements. This budget line items may not be sufficient to meet the cost of any major capital repairs, unforeseen expenses or the need for future capital replacements which may be required. If funds are required to meet such costs, it may be necessary to increase Common Charges or institute a special assessment. See the Section of the Plan entitled “Working Capital Fund” for further discussion.

22. **Waiver of Common Charges.** Sponsor shall have the right, in its sole and absolute discretion, to cause the Board to waive the collection of some or all of the Residential Common Charges from Residential Unit Owners for a period of time prior to full occupancy of the Building (the “Waiver Period”); provided, however, that Sponsor shall be solely responsible for payment of

all remaining expenses to operate the Residential Section during the Waiver Period (the “Waiver Period Operating Expenses”). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan disclosing the occurrence of the First Closing; (ii) Sponsor shall provide notice to Residential Unit Owners disclosing the expiration of the Waiver Period at least thirty (30) days prior to such expiration and shall subsequently disclose the expiration of the Waiver Period in an amendment to the Plan; (iii) that during any such Waiver Period, Sponsor will timely pay all Waiver Period Operating Costs of the Residential Section, including but not limited to insurance premiums and any reserve fund payments and contingency payments to the extent otherwise included in Schedule B – “Projected Budget for First Year of Condominium Operation”; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor shall remain obligated to update the budget for the Condominium, as provided in the Condominium Documents. The Sponsor-controlled Board will provide certified financial statements during the Waiver Period. See the section entitled “Control by Sponsor” and the section entitled “Rights and Obligations of Sponsor” for more information.

23. **Common Interest.** The Common Interest of each of the Units has been determined pursuant to Section 339-i(1)(iv) of the Condominium Act and accordingly based upon a comparison of the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of common elements for exclusive or shared use and the overall dimensions of the particular Unit. Based upon final specifications, construction conditions and/or “as-built” plans for the Building reflecting relative measurements, areas and uses of portions of the Building, application of such method of allocation of Common Interest may justify a minor increase or decrease in the aggregate Common Interest appurtenant to the Units. In such event, the Common Interest appurtenant to each individual Unit would be adjusted (by a minimal amount) pro rata. Sponsor expressly reserves the right, to effect such a change in the Common Interests and to amend the Plan so as to reflect the same, provided that Sponsor obtains a new §339-i opinion letter providing that the Common Interests are in compliance with RPL §339-i. Sponsor will not change the Common Interest associated with a Unit that has already closed without the new owner’s consent. In no event, however, will the Common Interest of any Unit be increased as a result of any of the foregoing by more than five percent (5%).

24. **Floor Plans.** The Floor Plans set forth in Part II depict the layouts of the Units. The approximate floor area of each Unit has been measured horizontally from the outside face of the exterior walls of the Building to (a) the centerline of drywall or masonry partition separating one Unit from another Unit, (b) the corridor side of any corridor walls, (c) the centerline of the drywall or masonry partitions enclosing Common Element stairs, and (d) the centerline of any common element shafts, elevators and other mechanical equipment rooms. Common Elements located within a Unit shall not be considered part of such Unit but are included in the measured area of each Unit. Outdoor floor areas of Terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit’s approximate floor areas.

Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. There is a

rebuttable presumption that an area that is diminished by five percent (5%) or less is not material. Because the square footages listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Unit and will exceed the actual floor area. Floor area may include columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Each Unit is measured vertically from the top of the concrete floor to the underside of the concrete slab, but not including such elements. Common Elements located within a Unit shall not be considered part of such Unit but are included in the measured area of each Unit.

The clearance between the top of the floor slab on one floor and the top of the floor slab on the next floor will vary among the Units and certain Units may have less clearance and all or portions of the ceilings in certain rooms within other Units may have a lesser clearance as the result of construction variances or the presence of beams, ducts and other mechanical spaces in such Units. Because dimensions listed are based on measurements from floor slabs, they do not accurately represent the heights of the Units from the finished floor to the finished ceiling. Ceiling heights within any given room may also vary. Kitchens, bathrooms, closets, foyers, hallways and entryways typically have dropped ceilings. The Terraces may not be used for any type of occupancy, including but not limited to: sleeping, living room, recreation or an office. To do so may result in a violation against the Building issued by the Department of Buildings. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the common elements. Please refer to the Notes to Schedule A in Part I of the Plan the “Description of Property” in Part II of the Plan for further details.

Purchasers are advised that while construction necessitates a sequential numbering of floors for a building, it is common in New York City to designate floor numbers solely for marketing purposes in a manner that is inconsistent with the construction levels. Consequently, Purchasers should note that a Unit may be located on a floor designated with a higher number than the actual construction level on which it is situated. Purchasers should further note that all references throughout the Plan are to marketing floors, unless the context specifies otherwise or the term “level” is used. The Plans and Specifications are based on construction levels rather than marketing floors. The “Description of Property and Improvements” in Part II of the Plan contains a chart which matches marketing floors and construction levels and is set forth below for reference by Purchasers.

Construction Floor Numbering	Marketing Floor Numbering
SC	C
C	L
1	1
2	2
3	3

4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	14
14	15
15	16
16	17
17	18
18	19
19	20
20	21
21	22
22	PH
R	R

25. **Transfer Taxes.** Purchasers are advised that as is common in offerings of residential condominium units in New York City, and as more fully discussed in this Plan, Purchasers will be required pursuant to the Agreement to pay the New York City Real Property Transfer Tax (the “RPT Tax”) and the New York State Real Estate Transfer Tax (the “State Transfer Tax,” and collectively with the RPT Tax, the “Transfer Taxes”) due on the sale of the Residential Units. Absent this contractual provision, Transfer Taxes would be a seller’s obligation. If the RPT Tax rate and/or State Transfer Tax rate is increased by New York City or New York State on or after the date of this Plan, same shall not give rise to a right of rescission on the part of any Purchaser who has executed an Agreement hereunder. The State Transfer Tax as of July 1, 2019 is \$2.00 per \$500, or fractional portion thereof, of the consideration for the Residential Unit transferred at Closing plus an additional \$1.25 per \$500, or fractional portion thereof, of the consideration for the Residential Unit transferred at Closing when the consideration for the entire

conveyance is \$3,000,000 or more.

Also, as more fully discussed in this Plan, New York State imposes a transfer tax upon a purchaser of a residential condominium unit (the “Mansion Tax”), which tax shall be the primary obligation of Purchaser. The Mansion Tax is 1% if the Purchase Price is at least \$1,000,000, but less than \$2,000,000, 1.25% if the Purchase Price is at least \$2,000,000, but less than \$3,000,000, 1.5% if the Purchase Price is at least \$3,000,000, but less than \$5,000,000, 2.25% if the Purchase Price is at least \$5,000,000, but less than \$10,000,000, 3.25% if the Purchase Price is at least \$10,000,000, but less than \$15,000,000, 3.5% if the Purchase Price is at least \$15,000,000, but less than \$20,000,000, 3.75% if the Purchase Price is at least \$20,000,000, but less than \$25,000,000, and 3.9% if the Purchase Price is at least \$25,000,000. For purposes of computing consideration subject to the Transfer Taxes and Mansion Tax, the New York City Department of Finance and the New York State Department of Taxation and Finance include the aggregate of certain Transfer Taxes payable by Purchaser under the Agreement and might include other costs payable by Purchaser which, absent a contractual provision making them Purchaser’s obligation, could be considered Sponsor’s expense. Accordingly, with respect to the Mansion Tax, even though the Purchase Price allocated to a Residential Unit might be less than \$1,000,000 (or another applicable threshold), it is possible that the Purchase Price for such Residential Units, when grossed up by the aggregate of certain Transfer Taxes and other seller expenses and other amounts payable by Purchaser, might be in excess of \$1,000,000 (or another applicable threshold), thereby subjecting the transaction to the Mansion Tax. If the Mansion Tax rate is increased by New York State on or after the date of this Plan, same shall not give rise to a right of rescission on the part of any Purchaser who has executed an Agreement hereunder.

The Purchaser shall also pay any tax in addition to the Transfer Taxes and Mansion Tax (e.g., without limitation, a pied-a-terre tax) payable by transferor or transferee at Closing and imposed on the transaction after the date of this Plan by New York City or New York State (“Additional Tax”). Sponsor will amend the Plan to disclose any Additional Tax. See the Section of the Plan entitled “Closing Costs and Adjustments.”

26. **First Closing.** The Sponsor anticipates that the First Closing of a Unit will occur on approximately January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit (the “First Closing”); or (ii) the projected date of closing of title to the first Unit occurs later than December 31, 2023 unless such delay is caused by a Force Majeure Event, which is twelve months after the projected date for the First Closing, although the actual First Closing may occur prior to January 1, 2023. If the Plan is amended to provide for a later projected date for the First Closing, Purchaser will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. In the event of a Force Majeure Event, the date indicated above shall be extended by the time the Force Majeure continues or such longer time pursuant to government order. However, if the First Closing occurs before December 31, 2023, the Sponsor may schedule the closing of title to other Units significantly later than such date. Unless your 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 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.

27. **Closing Costs.** All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Holland & Knight LLP ("**Sponsor's Counsel**"), in connection with the closing of title to Purchaser's Unit: (i) the sum of \$4,000 to reimburse Sponsor for its legal fees in handling the sale of the Residential Unit and \$750 for a Storage Bin License; (ii) if the Purchaser requests the Closing to occur other than at the offices of Holland & Knight LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Closing held within Manhattan and \$750 for each Closing held in any borough outside Manhattan; (iii) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, Purchaser shall pay a fee of \$1,000 to Sponsor's Counsel, payable in advance, for preparation of an assignment agreement (Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit if there are multiple assignments); (iv) if Purchaser obtains mortgage financing, then Purchaser shall pay the Sponsor's Counsel an additional fee of \$750 to defray the additional costs associated therewith; (v) if the closing is adjourned solely due to the fault of Purchaser, the Purchaser will be required to pay Sponsor's Counsel an additional fee of \$1,000 for each adjournment to help defray the cost of preparing for and coordinating the new closing; (vi) if any custom work is to be done in the Unit, then Purchaser shall pay Sponsor's Counsel an additional fee to defray the additional cost associated therewith for negotiating and preparing the requisite documents on an hourly basis not to exceed \$500 per hour; (vii) \$250 for the preparation of ACRIS transfer documents required by the City of New York; (viii) Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single unit; and, (ix) Purchaser shall pay Sponsor's counsel the sum of \$600 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in connection with any tax deferred exchange under section 1031 of the Internal Revenue Code. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to Closing upon notice to Purchaser.

Purchasers or any other persons entering into an Interim Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon the execution of the Interim Occupancy Agreement. Such legal fees are estimated to be approximately \$2,500 assuming that the Purchaser's counsel does not negotiate the terms of the Interim Occupancy Agreement. Any fees above \$2,500 will be billed on an hourly basis at Holland & Knight LLP's customary rates. In connection with the Closing of a Unit subject to an Interim Occupancy Agreement, all other charges or other fees due under an Interim Occupancy Agreement shall be adjusted as of midnight of the day preceding the Closing Date to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Occupancy Agreement for any Unit. Please refer to the Sections of the Plan entitled "Closing Costs and Adjustments" and "Interim Occupancy Agreements" for further details.

28. **Window Guards.** In the event a child of ten (10) years of age or younger resides, or visits for an extended period of time, a Unit, the Unit Owner is required to have installed (at the Unit Owner's expense) child safety window guards in all windows of the Unit, per New York City Code. The Unit Owner must notify the Managing Agent in writing when a child or children ten (10) years old or younger lives or resides in the Unit. Windows may contain limit stops, which

may not be removed. The Unit Owner shall maintain all window stops installed in the Unit and shall not remove same until permitted by applicable Law. Please see the Section of the Plan entitled “Rights and Obligations of Unit Owners and the Condominium Board” for further details.

29. **Easements.** The Sponsor, for so long as Sponsor owns any Unsold Units shall have, and the Units and Common Elements shall be subject to, an easement to use the Common Elements of the Building for any lawful purpose including, but not limited to, the purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding restoring and replacing satellite dishes and other communication equipment on the roofs and façade of the Building and elsewhere on the Common Elements and the conduit and other Facilities (as such term is defined in the Declaration) relating thereto provided, however, that no wires or cables shall be hanging on the side of the Building and (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof; provided that the holder of the easement and the exercise of any such easement will not materially interfere with the Unit Owner’s use and maintenance of the Condominium. Sponsor will indemnify the Board and/or Unit Owner for any damage or liability sustained as a result of the exercise of Sponsor’s easement. 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 or façade of the Building or elsewhere on the Common Elements by Sponsor or their assignees or licensees shall be the exclusive property of Sponsor or their assignees or licensees and neither the Condominium nor any Unit Owner shall have any rights with respect thereto. Please see the section of the Plan entitled “Rights and Obligations of Unit Owners and the Condominium Board” under the subsection entitled “Easements” for further details.

30. **Mechanical Equipment.** The Building incorporates highly sophisticated mechanical equipment, including the building back-up generator, elevator and related equipment, and HVAC equipment, designed to provide for the physical comfort and convenience of the Building’s occupants. Within Residential Units and throughout the Residential Common Elements, heating and cooling from HVAC systems will be subject to normal variations and tolerances. During normal operation of this equipment (which may include required periodic testing), some occupants of Residential Units adjacent to or in the vicinity of the equipment floors, equipment areas and the roof of the Building may perceive noise and/or vibration from the equipment. The sole obligation of Sponsor and the Condominium Board with respect to such noise and/or vibration shall be to install and operate such equipment in a manner consistent with commercially reasonable practices in typical luxury high-rise residential buildings and in compliance with applicable Legal Requirements, including the New York City Building Code and Title 24, Chapter 2, Section 24-201, et. seq. of the New York City Administrative Code (the “New York City Noise Control Code”). Purchasers are prohibited from impeding access to any mechanical equipment which may be located in the ceilings, walls or closets of Residential Units, including without limitation the HVAC equipment located in the ceiling above certain closets, condenser unit equipment on the floor of certain closets and other areas in Residential Units. The Condominium Board and its employees, agents and contractees may require intermittent access for maintenance, repair and replacement of such mechanical equipment, and Purchasers are prohibited from blocking such access or building any installation or fixture which inhibits such

access or is otherwise in violation of applicable Law.

The HVAC equipment in each unit should not be turned off. Minimum temperatures must be maintained in the Unit even when the unit is unoccupied. Damages to the unit and the Building caused by the HVAC equipment being turned off will be the Unit Owner's responsibility.

Notwithstanding that all HVAC equipment located within a Residential Unit, including without limitation the HVAC equipment located in the ceiling condenser unit equipment on the floor of certain closets and other areas in Residential Units constitute part of such Residential Unit, for the proper operation and maintenance of the Building's HVAC systems, the Board shall enter into a maintenance contract on behalf of all Residential Unit Owners to service each Residential Unit's HVAC equipment. Each Residential Unit Owner shall periodically be required to provide access to their Unit and its HVAC equipment to permit routine inspection, testing, and maintenance, as well as any repairs and replacements. The cost for the maintenance service contract shall constitute a Residential Common Expense included in each Residential Unit Owner's Common Charges, except that in the event of the cost of any extraordinary maintenance and/or repairs, i.e., any maintenance and/or repairs not included in the cost of the such elevator maintenance agreement or not otherwise covered by such agreement) shall be paid by the Board and assessed as a special assessment against the Owner of the Residential Unit exclusively served by the HVAC equipment requiring such repair and/or maintenance.

Except in the event of an emergency, Residential Unit Owners shall receive a minimum of one days' notice from Sponsor or Sponsor's agent in connection with the foregoing rights of access.

31. **Resident Manager's Unit.** On the earlier of three (3) years after the First Closing or 30 days after all of the Residential Units are sold, Sponsor will sell one Unit, presently intended to be Unit 4G, to the Condominium, which will own such Unit on behalf of all Unit Owners and will use the same for the residence of the Resident Manager ("**Resident Manager's Unit**"). The Purchase Price for the Resident Manager's Unit, which is currently anticipated to be Unit 4G, will be \$2,315,000, which is \$1,893 per square foot for 1,223 square feet. The closing costs applicable to the transfer of the Resident Manager's Unit are anticipated to be approximately \$85,000, which will be paid by the Condominium. Sponsor reserves the right, in its sole discretion, to choose a different Unit other than Unit 4G to sell to the Condominium Board as the Resident Manager's Unit. If the Sponsor sells a Unit other than Unit 4G, as the Resident Manager's Unit, in no event will the Purchase Price be greater than \$1,893 per square foot.

Sponsor retains the option of purchasing an apartment in the building within one block of the Condominium containing approximately the same square footage as Unit 4G and a price per square foot of not more than \$1,893 per square foot (the "**Alternate RMU**"), in which event the RMU will be in a different building and each Purchaser's share of the cost will be based on the other building, provided, however the amount paid by each Purchaser shall not exceed the amount shown on Schedule A.

In respect of such Resident Manager's Unit, at the closing of title to each Unit, the

Purchaser thereof, as a closing cost, will be required to pay on behalf of the Condominium Board such Purchaser's share of the cost of the Resident Manager's Unit determined in accordance with the Common Interest the Unit purchased in proportion to the Common Interest appurtenant to all Residential Units (other than the Resident Manager's Unit) and in the amount more particularly set forth on Schedule A, "Purchase Prices and Related Information" in Part I of the Plan. See "Notes to Schedule A" for more information. Simultaneously with the First Closing, Sponsor will place the deed for the Resident Manager's Unit in escrow with Sponsor's counsel.

ALTHOUGH THE CLOSING OF TITLE TO THE RESIDENT MANAGER'S UNIT MAY NOT OCCUR UNTIL AFTER A PURCHASER HAS CLOSED ON HIS OR HER UNIT, EACH PURCHASER OF A UNIT WILL PAY A PROPORTIONATE SHARE OF THE COST TO PURCHASE THE RESIDENT MANAGER'S UNIT AT SUCH PURCHASER'S CLOSING.

The taxing authorities are likely to require that each Purchaser's allocable portion of the cost of the Resident Manager's Unit be included in the total consideration deemed to have been paid by such Purchaser to Sponsor; and, at Closing, Purchaser will pay the incremental additional transfer taxes attributable to such additional consideration.

Sponsor reserves the right, at any time following the First Closing, to convey the Resident Manager's Unit to the Condominium Board. In the event Sponsor conveys the Resident Manager's Unit to the Condominium Board before the full Purchase Price therefor has been paid, the portion of the Purchase Price not collected as of such time will be payable by a promissory note from the Condominium Board to Sponsor (the "RMU Note"). The RMU Note will be non-interest bearing. The principal balance of the RMU Note will be reduced each time Sponsor conveys a Unit and collects from the Purchaser of such Unit, such Purchaser's proportionate share of the cost to purchase the Resident Manager's Unit. The term of the RMU Note will expire when the full balance due under the RMU Note has been paid to Sponsor.

The Condominium Board shall pay all expenses of the Resident Manager's Unit from and after the First Closing regardless of when the closing of title to such Resident Manager's Unit occurs as aforesaid.

There is also no guarantee that the Resident Manager will be residing at the Property at the time of closing of any particular Unit although all legal requirements with respect thereto will be complied with. All costs and expenses of the Resident Manager's Unit and repairs thereto, as well as all utilities serving same, shall be expenses of the Condominium Board at all times. In addition, until such time as title to the Resident Manager's Unit has been conveyed to the Condominium Board, Sponsor may charge the Condominium Board a reasonable rental in respect of the Condominium's use thereof.

Prior to the sale of the RMU to the Condominium, Sponsor will lease the Resident Manager's Unit to the Board for use as the Resident Manager's residence. The rent for the Resident Manager's Unit shall consist of the Common Charges and real estate taxes payable for the Resident Manager's Unit. Sponsor does not share in any of the acquisition costs for the Resident Manager's Unit, even though the Resident Manager will service the Unsold Units. The

Condominium will not be responsible for the expenses of the Resident Manager's Unit if the Resident Manager is not residing therein. See the Section of the Plan entitled "Description of Property and Improvements" for more information.

32. **Security Systems.** 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. While Unsold Units are being offered for sale or lease by Sponsor or its designees there may be a greater number of visitors in the Building than would otherwise be the case. In addition, transients will always be using the Non-Residential Unit. No representation or warranty is made and no assurance is given as to when such selling or leasing activity will terminate. Neither Sponsor nor its designees nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or the 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 the Plan entitled "Description of Property and Improvements" under the subsection entitled "General" for further details.

33. **Views.** Changes in zoning or construction of new buildings within the vicinity of the Property could affect existing or planned views. No assurance can be given that the views planned or currently existing (or existing when Purchaser first purchases or occupies a Unit) will continue to exist unchanged.

34. **Tenant Protection Plan.** As required under Section 28-104.8.4 of the New York City Building Code (the "New Code" as enacted in 2008), since the Building is expected to be occupied by Unit Owners and/or tenants prior to the time when a FCO can be obtained, a tenant protection plan will be distributed to each occupant who will be occupying any dwelling units of the Building during construction. The Post-Closing Amendment to the Plan will state whether the tenant protection plan has been distributed to the Unit Owners.

35. **Risk of Loss.** If the Purchaser is or becomes the tenant or occupant of a Unit before the Closing and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss not covered by Sponsor's or the Condominium's insurance and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such Purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen. Otherwise, the risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit pursuant to an Interim Occupancy Agreement with Sponsor, at which time such risk to the contents of the Unit not covered by Sponsor's insurance (but not to any portion of the Unit or Common Elements otherwise insured by Sponsor or the Board) shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Unit, the Agreement shall continue in full force and effect, and,

thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the subject Unit. In the event of an occurrence of a fire or other casualty, Sponsor shall notify the Purchaser as to whether or not Sponsor will restore the Unit no later than two (2) months after the date of the occurrence of the fire or other casualty. In addition, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners, belong entirely to Sponsor. In the event that Sponsor elects to repair or restore a Unit, Sponsor will restore the Unit and Common Elements to substantially the same condition that the Unit and Common Elements existed in immediately prior to the casualty, and essential services (such as utilities and heat) and a reasonable means of ingress and egress to the street, if affected, will be restored. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit or if the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Condominium Board"), the Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, within thirty (30) days' notice of such election, subject to Sponsor's rights to retain certain funds deposited by Purchaser and expended by Sponsor for Custom Work in the Unit, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan. Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan.

36. **Limitations on Sale.** In order to facilitate the Sponsor's sale of the Units, prior to (a) one (1) year after a Purchaser's closing on its Unit, a Purchaser will not be permitted to sell his or her Unit(s) without obtaining the Sponsor's written approval, and (b) a Purchaser's closing of a Unit, the Purchaser may not (i) list the Unit for resale or lease with any broker or otherwise, or (ii) advertise, promote or publicize the availability of his or her Unit for sale or lease. In the event that Purchaser violates the foregoing prohibition then any sums received by Purchaser in excess of the Purchase Price paid by Purchaser shall be paid to the Sponsor as liquidated damages. In addition, any such sale or lease, listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives shall constitute a default under the Agreement, entitling Sponsor to the remedies set forth therein and any lease or conveyance in violation of the foregoing will be voidable by Sponsor. The above-listed limitations on sale will not be applicable after all Units are sold. See the Section of the Plan entitled "Procedure to Purchase".

37. **Insurance.** The Board is not required to obtain or maintain any insurance with respect to any property contained in any Unit or any liability with respect to occurrences in or about each Unit or the Limited Common Elements, that are exclusive and/or appurtenant to the Unit. Consequently, all Unit Owners are required to obtain and maintain a personal liability policy if the Unit Owner is an individual against claims for personal injury death or property damage occurring in, on or about such Unit Owner's Unit and the Limited Common Elements, if any, exclusive and/or appurtenant to his or her Unit. Further requirements with respect to such insurance are more particularly set forth in the By-Laws. In addition, all Unit Owners are urged to obtain personal property insurance with respect to the fixtures, furniture, furnishings and other personal property located within their respective Units. Purchasers are also advised that the

insurance policies to be maintained by or on behalf of the Board will be on a “replacement cost” basis and will not cover losses to the extent that “market value” of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Board will not be required to obtain or maintain terrorism coverage but may do so, and in such event, the cost thereof shall be a Common Expense as described in the Condominium By-Laws. 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. Sponsor is advised that the New York City Flood Zone Map is being updated post-Super Storm Sandy. As of the date hereof, the Condominium is located in Flood Zone .2,X on the New York City Flood Zone Map, which is currently designated as a moderate to low risk area with a 0.2 percent annual chance of flood hazard. If Purchaser’s lender requires any additional flood insurance, Purchaser will be obligated to obtain such supplemental dwelling flood policy at Purchaser’s sole cost and expense. See the Section of the Plan entitled “Rights and Obligations of Unit Owners and the Condominium Board”.

38. **Special Allocation of Certain Common Expenses.** Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with Sections 339-i(1)(iv) and 339-m of the New York Condominium Act. The costs of operation and maintenance of the Condominium, including both those directly attributable to the Units and an allocated share of expenses attributable to the Condominium as a whole (such as expenses for insurance, repairs and maintenance of the General Common Elements and various service contracts), will generally be borne by the Unit Owners in proportion to their respective Common Interests. The Non-Residential Unit Owner, who will receive in certain instances greater or fewer services from the Condominium, will bear an allocated share of the expenses of the Condominium, all as described in Schedule A - “Purchase Prices and Related Information” and Schedule B - “Projected Budget for First Year of Condominium Operation” of the Plan and Article 6 of the Condominium By-Laws. Such allocated share of expenses will result in the Residential Unit Owners having to pay either higher (if fewer services are being provided to the Non-Residential Unit Owner) or lower (if greater services are being provided to the Non-Residential Unit Owner) shared expenses of the Condominium. The requirements for amending Article 6 of the Condominium By-Laws do not differ from those otherwise provided in the Condominium By-Laws.

39. **Custom Work.** Sponsor may agree, in its sole discretion, to perform custom work to a Unit (including without limitation combining or further dividing Units) (“Custom Work”). Unless otherwise agreed to by Sponsor, a Purchaser shall bear the costs of the costs of such Custom Work (the “Custom Work Costs”) which Custom Work Costs shall be due and payable by Purchaser to Sponsor upon the execution of the Agreement for the Unit and deposited in an escrow account with Escrow Agent in accordance with the Plan. The Custom Work Costs may be released from the Escrow Agent’s escrow account upon the Escrow Agent’s receipt of written notification from Sponsor’s Architect to the Escrow Agent that all or any portion of the Custom Work has been commenced in the Unit. In the event a Purchaser becomes entitled to rescission after the release of the Custom Work Costs or any portion thereof to Sponsor the Purchaser shall not receive a refund of any Custom Work Costs, if any, used to perform Custom Work in the Unit. If the Plan is abandoned, any Custom Work Costs will be returned to Purchaser.

40. **Defense Costs.** Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending or enforcing Sponsor's rights under the Agreement or, if Purchaser defaults under the Agreement beyond any applicable grace period, in canceling the Agreement, or in otherwise enforcing Purchaser's obligations thereunder, if Sponsor prevails in defending or enforcing Sponsor's rights. The Agreement also provides, that, except as prohibited by Law, the parties waive trial by jury in any litigation arising out of, or connected with, or relating to, the Plan, the Agreement or the relationship created thereby. Please refer to the Section entitled "Procedure to Purchase" in Part I of the Plan for further details.

41. **No Invasive Testing.** Prior to the closing of a Unit, Purchasers shall not be entitled to conduct any invasive testing in the Unit including, without limitation, making holes in the walls or ceiling and/or removing sheet rock, tiles, wood flooring, windows or window panes to test for mold, asbestos, lead paint, mildew, spores, fungi or other toxins or for any other purpose. Please refer to the Sections entitled "Terms of Sale" and "Rights and Obligations of Sponsor" in Part I of the Plan.

42. **Local Law 11 (FISP).** As set forth in the Description of Property set forth as Exhibit 8 in Part II of the Plan, New York City Façade Inspection and Safety Program (FISP) formerly known as Local Law LL11-98 applies to the Building

Under FISP, periodic inspections are required in order to maintain a building's exterior walls and appurtenances thereto in a safe condition. A filing is required for all buildings with exterior walls or parts thereof that are greater than six stories in height, including the basement, but not the cellar, as defined in the Building Code, and regardless of the information in the certificate of occupancy. Buildings required to file a report shall do so once every five-year report filing cycle established by the department. A report shall be filed within sixty days of the date on which the visual critical examination is completed (final inspection date) and not more than one year after completion date of the required physical close-up inspection. The LL11-98 (FISP) requirements for new building state that a report shall be filed five years from the date the first temporary certificate of occupancy is issued if that five-year date falls within the applicable filing window according to the last digit of the building's block number. If the five years from the date the first temporary certificate of occupancy or final certificate of occupancy issued falls outside the applicable filing window, according to the last digit of the building's block number, then the initial report shall be filed within the applicable two-year filing window for the next five-year cycle.

Local Law 11 report will be due in accordance with the NYCDOB schedule in effect at the completion of construction. Based on the anticipated completion of construction date of January, 2023. The initial critical examination of the Building shall be conducted in 2028, the fifth year following the erection of the exterior walls and I or enclosures inspection. Based on the current NYCDOB schedule the inspection will be scheduled during Cycle 10. Compliance with FISP, including, but not limited to, hiring an architect or engineer to perform an inspection and filing a report with DOB, and any costs associated therewith shall entirely be the responsibility of the Condominium Board, and not of Sponsor. Purchasers are advised that costs associated with Local Law 11-98 (FISP) inspections could be substantial and may include installation of construction bridges and other scaffolding as required by DOB for extended periods of time. (See

the “Description of Property” set forth as Exhibit 4 in Part II of the Plan for further details.)

43. **Sprinklers.** The Building will be fully sprinklered to eliminate fires. Although hidden from view, every ceiling will have sprinkler heads which are circular protuberances in the ceiling. In order to operate effectively in the event of a fire, furniture, furnishings and other equipment in the Units should not be placed in a way that would block the sprinklers from emitting water throughout the area beneath it in the event of a fire. Blocking the sprinklers would be a violation of the Fire Department’s Regulations.

44. **Sponsor Principal.** 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 Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory. See Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, et al., 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013). (See the Section of the Plan entitled “Procedure to Purchase” and the Option Agreement set forth in Part II of the Plan for details.)

45. **Floor Designations.** All references in the Plan and in marketing materials to floors” are references to their “marketing” designations and may not correspond to the designation given the floors on the plans submitted to the New York City Department of Buildings.

46. **Sponsor’s Use of the Building for Sales and Promotional Functions.** There will be a sales office located within the Building. Sponsor and its designee(s) shall also have the right, until the tenth (10th) anniversary of the First Closing (or until no Unsold Units remain, if earlier), to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events and/or promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants’ enjoyment of the Building. See the Section of the Plan entitled “Rights and Obligations of Sponsor.”

47. **Non-Residential Unit.** The Non-Residential Unit will initially be used for retail purposes (and ancillary uses) but may be used for any legal purpose, except that the following uses are prohibited pursuant to the Condominium’s By-Laws: pornography store, massage parlor, drug treatment facility, a video arcade, betting parlor or other gambling related establishment. The Non-Residential Unit Owner has the right to subdivide the Non-Residential Unit and the right to freely sell the Non-Residential Unit or to freely lease all or part of the Non-Residential Unit, without having to first offer the same for sale or lease to the Condominium Board. The Non-Residential Unit may initially be owned by the Sponsor. At some time in the future the Non-Residential Unit may be sold by the Sponsor to a third party. The Condominium Board, at the request of a Non-Residential Unit Owner, will enter into a recognition agreement with any tenant with which such Non-Residential Unit Owner has entered into a lease for all or any portion of the Non-Residential Unit. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board will agree that the rights of the tenants under the lease(s) will not be disturbed in the event of a default by the Non-Residential Unit Owner so long as there is no incurable material default under the tenant’s lease and such other reasonable

terms as the Condominium Board may request. See the Section of the Plan entitled “Non-Residential Unit.”

48. **Interim Service Period.** Prospective Purchasers are advised that the services and amenities described in the Plan will be available within 18 months of the First Closing subject to a Force Majeure Event. However, at all times after the First Closing, the Residential Lobby will be attended twenty-four (24) hours a day, seven (7) days a week, and there will be at least one (1) elevator servicing every floor on which there are occupied Residential Units. The interim level of staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building. During such interim service period when full services and/or facilities are not available, the expenses for such services and/or facilities, as accounted for in Schedule B may not be actually incurred. Therefore, Residential Common Charges payable by the Residential Unit Owners may be reduced accordingly to reflect the corresponding diminished expenses of the Residential Section. (See the Section entitled “Description of Property and Improvements” for further discussion.)

49. **Services.** All determinations with respect to the continuance of any of the services in the Building, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor during the Initial Control Period. (See the Section entitled “Control by Sponsor”). Please refer to the Description of the Property set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property. During the Initial Control Period, Sponsor will not diminish the services and facilities provided in the Plan after such services and facilities are made available. Neither Sponsor, the Managing Agent nor the Board will in any event be liable for the availability, interruption, discontinuance or quality of any services in the Building, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, except to the extent that any such injury to person or damage to property occurs as a result of the negligence of Sponsor, the Managing Agent or either of the Board, as the case may be. However, for any such lack of availability, interruption, discontinuance or change in the quality of any service which is material and adverse, a Purchaser under contract will be offered a right of rescission.

50. **Rule Against Perpetuities.** In order to preclude any application of the Rule Against Perpetuities which might otherwise invalidate the Agreement, the Agreement shall expire, unless otherwise previously terminated, on the date that is the earlier to occur of (i) twenty-one years after the date of the Agreement, or (ii) the time period legally permitted by the Rule Against Perpetuities in the State of New York, in which case the Option Payment and all interest accrued thereon shall be returned to Purchaser. Please refer to the Section entitled “Procedure to Purchase” in Part I of the Plan.

51. **Terraces.** Terraces and balconies (collectively, “Terraces”) are appurtenant to certain Units, as identified in Schedule A and in the Floor Plans set forth in Part II of the Plan, and are Residential Limited Common Elements available for the exclusive use of a Unit Owner of the Unit to which such Terrace is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations in effect from time to time. All normal maintenance and cleaning of any Terrace shall be made by the Unit Owner having access to such Terrace at the Unit Owner’s

own cost and expense, and any structural or extraordinary repairs or replacements to such Terrace shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense. Unless damage is caused by the Unit Owner, the slab beneath the Terrace shall be the Board's responsibility and the surface of the Terrace above the slab shall be the Unit Owner's responsibility. Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Unit Owners with respect to, the level of noise or vibrations or odors resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners on their Terraces. Moreover, Terraces must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. In the event a Unit Owner fails to comply with any of its maintenance obligations, the Board may, at the expense of the Unit Owner and without liability to the Board, enter the Unit and perform such acts as are necessary to cure the Unit Owner's default.

(See "Description of the Property and Improvements" and "Rights and Obligations of the Unit Owners and the Board" in Part I of the Plan for further discussion.)

52. **Homeowners Association.** Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the Law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. The tax treatment of the Condominium may be affected by regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996. Please refer to the Attorney's Income Tax Opinion and the Section entitled "Income Tax Deductions to Unit Owners and Tax Status of the Condominium" in Part I of the Plan for further discussion.

53. **Roof Rights/Easement.** Sponsor has, with respect to the roof of the Building, the exclusive right (and such easements as shall be required) at any time and from time to time at its sole cost and expense, to exclusively erect, use, maintain, repair, replace, relocate and operate for Permitted Roof Platform Purposes, as hereinafter defined, one or more platforms, supports or structures on any portion of the roof (other than those portions of the roof which are Residential Limited Common Elements for the exclusive use of a particular Unit Owner, if any) for the purpose of erecting, using, maintaining, repairing, replacing, relocating and operating for Permitted Roof Platform Purposes, antennae, satellite dishes and other communications equipment thereon (including, without limitation, the running of conduit wiring and/or cabling throughout the Building as necessary); provided, however, that Sponsor shall give prior notice to the Board for information purposes only of the type and location of any such equipment before installation. Such easement shall also include the right of Sponsor to use, lease and license such equipment, and to retain any profits therefrom. All of the foregoing shall at all times be used, installed and maintained in compliance with all Laws and Insurance Requirements. The word "equipment" as used in this paragraph shall be deemed to include fiber optic cable and other communications lines, wires, risers, cables and conduits, as well as any other ancillary equipment, based upon all current and future technologies, needed for the proper operation of the communications installations. Each easement and other right granted under this paragraph must be exercised, and all such platforms, supports, structures, installations and equipment must be used in such a way so as to minimize, to

the extent reasonably practicable, interference with the exercise of the other easements and other rights granted under this paragraph. Further, the holder of the easement and the exercise of any such easement will not materially interfere with the Unit Owner's use and maintenance of the Condominium. Sponsor is obligated to indemnify the Condominium in connection with Sponsor's exercise of this easement. Any additional insurance costs/coverage needed in connection therewith will be borne solely by Sponsor. As used herein, "Permitted Roof Platform Purposes" shall mean all businesses, operations and activities of Sponsor and its affiliates, including the business of renting out or otherwise providing satellite dishes and/or other communications equipment, services and/or space for satellite dishes and/or other communications equipment or services to third parties, and any operations or activities in connection with such business.

54. **No Third Party Beneficiary.** No party 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 party (including without limitation, parties purchasing from Purchasers) shall be deemed to have received any benefit as a result of any of the provisions of the Plan. Please refer to the Section entitled "General" in Part I of the Plan for further details.

55. **Sponsor's Obligations.** Sponsor reserves the right to sell ten 10 or more of the Units and to designate the purchaser of such blocks of Units as a "sponsor" under this Plan and the Declaration or to not designate the purchaser as a sponsor. A party designated as a "sponsor" or a "sponsor-designee" will have those additional rights and obligations of a "Sponsor" as more fully described in the Plan including the assumption of the status and all of the obligations of Sponsor for those Units under this Plan, applicable Laws or regulations. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments and real estate taxes with respect to Unsold Units or the other obligations of the Sponsor under this Plan. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units and the other obligations under the Plan. Please refer to the Section of the Plan entitled "Rights and Obligations of Sponsor" in Part I of the Plan for further details.

56. **Windows.** The Units will have large glass windows, which should be covered during the portions of the day when the sun is strongest in order to maintain the temperature of the Units' rooms at comfortable levels and to conserve energy. The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted. The interior and exterior glass surfaces of all windows located in any Unit and the exterior glass surfaces of windows, which can be washed from Terraces, shall be washed and cleaned at the sole discretion of the Unit Owner or occupant thereof as such Unit Owner's sole cost and expense. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such negligent Unit Owner, as the case may be). It is not unusual for there to be distortion in the peripheral portions of large windows. Distortion can be caused by changes in temperature, changes in elevation from where the insulating glass units were fabricated, changes in barometric pressure, windloads, glazing pressure around the periphery of the glass and the heat treatment process used for heat-strengthened and tempered glasses. Distortion is very subjective and the degree of distortion can change due to environmental

conditions as listed above.

Certain Units have Juliette railings on the exterior of the Unit. Purchasers are advised that those railings are fastened to the façade of the Building. The window sills and Juliette railings are not intended to be stepped upon or climbed on.

57. **Wood Floors.** Purchasers are advised that Residential Units will feature pre-finished engineered wood flooring. Wood flooring should not be washed with water and should be maintained in accordance with the manufacturer's recommendations. Sponsor makes no representation as to the number of times such floors can be sanded. Sponsor is not responsible for: (i) immaterial variations in floor level and slight separation between base and floor; (ii) immaterial variations in width, length or tone of wood floor strips or normal shrinking or expansion of wood flooring due to changes in moisture content of wood; or (iii) scratches and dents in flooring. Nearly every wood floor will have some seasonal separation between the individual boards, which is normal. However, excessive shrinkage from changes in humidity can cause more serious, irreparable issues such as cracking, cupping, delamination, and even buckling.

Purchasers should also note that wood materials used as finishes have certain inherent risks associated with such use. Risks associated with wood products (including, but not limited to wood flooring, furniture, cabinetry, interior of cabinetry, moldings, etc.) include, but are not limited to: appearance of cracks between floor boards, gaps, squeaks, variation in color, variation in wood grain, texture, occurrence of knots, and cupping. Cracks, gaps, occurrence of knots and grain variation are more noticeable in light colored wood flooring. Furthermore, wood flooring is sometimes affected by sunlight and often fades and changes with use and age. Some woods darken and some lighten when exposed to light. Sponsor makes no representation or warranty that the wood floors will maintain their appearance after they are subject to wear and tear. Wood flooring can also dent. Protective felt pads and protective material should be used when placing furniture or appliances. A wet mop should never be used on wood flooring because it can cause warping and cracking. Standing water will cause cupping, swelling and subsequent gapping. Purchasers should refer to the manufacturer's instructions on care of wood floors. See the Section entitled "Rights and Obligations of the Condominium Board and Unit Owners" in Part I of the Plan for further discussion.

58. **Stone Surfaces.** Certain surfaces in the Residential Units may consist of natural stone, such as marble or limestone. Purchasers are advised that natural stone can be porous, calciferous, with the potential to absorb and/or chemically react to certain substances. Purchasers should note that special care will be necessary in the maintenance and cleaning of certain materials in the Residential Units. Natural stones such as marble or limestone have natural variations in colors and markings which require cleaning with neutral cleaners that are free of acidic or alkaline solutions, bleach, ammonia or abrasives that can break down sealers and damage or stain the stone surface. Such stone surfaces may be sealed so as to prevent absorption, etching discoloration and/or staining.

To reduce (but not eliminate) the possibility of absorption, etching discoloration and/or staining, Sponsor may apply a sealer to the stone surfaces in the Residential Units prior to delivery of such Residential Unit to Purchaser. Such stone surfaces may require sealing and

resealing at some point in the future, and any such sealing will help with water absorption and staining which may alter colorations. Purchasers are advised that impregnating sealants and using daily stone cleaners, which have been specially developed for cleaning stone, are recommended for proper maintenance. Purchasers are advised that the application of a sealer to stone surfaces does not in any way guarantee that future absorption, etching, discoloration and/or staining will not occur. Furthermore, it will be each Residential Unit Owner's obligation to maintain the stone surfaces, including the engagement of a professional to reapply the sealer at regular intervals. Purchasers should consult a professional regarding the proper care and maintenances necessary to preserve the appearance of any stone surfaces in their Residential Units under the Option Agreement (including, without limitation, pursuant to Arbitration, as discussed herein) and/or in terminating the Option Agreement in the event of Purchaser's noncompliance with the terms thereof. For more information, please see the Section entitled "Rights and Obligations of Unit Owners and the Boards – Repairs to and Residential Common Charges of Units" in Part I of the Plan.

59. **Interim Occupancy Agreements.** In the event a Purchaser occupies a Residential Unit pursuant to an Interim Occupancy Agreement with Sponsor, and such Purchaser rescinds its Option Agreement due to an amendment to the Plan which discloses a material adverse change to the Plan and offers Purchasers the right to rescind, such Purchaser shall be obligated to surrender the Residential Unit within thirty (30) days thereafter, free of all occupants and in broom clean condition. If a Purchaser fails to timely vacate the Residential Unit before the First Closing has occurred, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under an Interim Occupancy Agreement. If a Purchaser fails to timely vacate the Residential Unit after the First Closing has occurred, the Purchaser shall be liable for twice the costs of carrying the Residential Unit (such as Residential Common Charges and the allocable portion, based on Residential Unit, of debt service on any loan covering Unsold Residential Units) as calculated by Sponsor. In addition, irrespective of when such failure to timely vacate occurs, such Purchaser shall be liable to Sponsor for the following: (i) loss of profit and (ii) all costs and expenses incurred by Sponsor to obtain possession of the Residential Unit, including the cost of litigation and reasonable attorneys' fees and expenses. See the Section entitled "Interim Occupancy Agreements" for more information.

60. **Time Is of the Essence.** After the Plan is declared effective, Purchasers will receive at least thirty (30) days' prior notice of the scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth in "Procedure to Purchase" in Part I of the Plan. Time is of the essence with respect to the Purchaser's obligation to close title on the date set for closing and to pay, perform or observe all of his or her other obligations under the Agreement, and to cure a default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default. Therefore, a Purchaser who defaults under his or her Agreement and/or Storage Bin Purchase Agreement, and who does not cure such default within such 30-day period may not be permitted any additional time to cure such default. TIME IS OF THE ESSENCE TO PURCHASER AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, FOR THE PAYMENT OF THE BALANCE OF THE PURCHASE PRICE. See the Section entitled "Procedure to Purchase" for more information.

61. **Option Agreement.** The agreement that Purchaser will execute in connection with the purchase of Residential Units is referred to as an “Option Agreement.” A form of the Option Agreement is contained in Part II of the Plan. An Option Agreement (as opposed to a purchase agreement) permits Sponsor to defer the reporting of income from the sale of the Residential Units until the year in which the sale closes. Were the agreement to be re-characterized by the Internal Revenue Service (“IRS”) or Sponsor as a purchase agreement in connection with Sponsor’s income tax filings, there would not be adverse tax or other consequences to Purchaser. The term “Option Agreement” does not mean that Purchaser is receiving any optional upgrades to the Residential Unit, except as may be specifically stated in the Option Agreement. Sponsor must sell to a Purchaser who exercises the option under the Option Agreement (which Purchaser does by electing to close and paying the Purchase Price at Purchaser’s Residential Unit Closing), and performs all of Purchaser’s obligations under the Option Agreement. See Part I, Section M of the Plan, entitled “Procedure to Purchase,” for additional details.

62. **Dispute Resolution.** All disputes between the Sponsor and the Purchaser regarding the Agreement including the return of the Option Payments after a default shall be determined by binding arbitration by JAMS. See the Section of the Plan entitled “Procedure to Purchase – Dispute Resolution” for more information.

63. **Statute of Limitations.** The Option Agreement provides that Purchaser, as Residential Unit Owner, shall have a maximum of three years from closing of the acquisition of the Unit to bring a claim against Sponsor. This three year period is shorter than the six year statute of limitations for breach of contract contained in New York Civil Practice Law and Rules §213(2). By executing the Option Agreement, Purchaser shall be deemed to have acknowledged and agreed that said three year period maximum is reasonable. Therefore, Purchasers agree that, notwithstanding anything to the contrary set forth in the Plan, the Option Agreement, at Law, in equity, or otherwise, any action or proceeding brought by, through or on behalf of Purchaser against Sponsor, its principals, affiliates or agents, under or related to this Plan or the Option Agreement, or related to the Building or a Purchaser’s Unit, to be valid, must be commenced by the earlier to occur of (x) three (3) years, or (y) the expiration of the otherwise applicable statute of limitations, in either case from the date the claim giving rise to such action or proceeding accrues in accordance with applicable Law. See Part I, Section M of the Plan, entitled “Procedure to Purchase” and the Option Agreement itself, for additional information.

64. **Development Rights.** All excess air or developmental rights presently or hereafter appurtenant to the Property and not used in connection with the original construction of the Building as described in this Plan (the “Development Rights”) will be allocated to the Sponsor (the “Development Rights Owner”). As a result, unless Development Rights are separately acquired therefor on behalf of the Condominium or a Unit Owner, as the case may be, any future expansion of the Building by the Condominium Board or of a Unit by any Unit Owner as may otherwise be permitted pursuant to any applicable Legal Requirements, may not be possible or may be limited. Further, as a result of such reservation, the owner of the Development Rights may transfer or sell such Development Rights to the owner(s) of adjoining properties or offsite and in such case such properties may be increased as a result of such transfer or sale. There currently are Development Rights appurtenant to the Property, however the Development Rights will not be used to add additional floors to the top of the Building or to physically expand the Building. In

the event such excess Development Rights are transferred to the owner(s) of adjoining properties or offsite, a Unit Owner's views and exposure to light may be affected. See the Section entitled "Reservation of Air and Development Rights" for more information.

65. **Delivery of Closing Documents.** Each Purchaser's title underwriter must agree (i) to timely submit the Unit Deed, all Transfer Tax forms and checks for payment of such Transfer Taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser; and (ii) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event the title underwriter (or its abstract company) fails to file such Unit Deed and Transfer Tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with Law and the requirements of any governmental or quasi-governmental agency. If said title underwriter does not execute an indemnification substantially in the form set forth as Exhibit A to the Agreement in Part II of the Plan, Purchaser must, as more fully set forth in the Agreement, agree to indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such Unit Deed, transfer tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with Law and the requirements of any governmental or quasi-governmental agency, and pay any such taxes, fines or penalties assessed or charged by any governmental or quasi-governmental agency. (Please refer to the "Closing Costs and Adjustments" Section of Part I of the Plan and a copy of the Agreement set forth as an Exhibit in Part II of the Plan.)

66. **Storage Bin Licenses.** The Sponsor will be selling licenses to use the Storage Bins which are on the Lobby Floor of the Building. Subject to their availability, the Purchaser of any Unit will have the right to purchase a Storage Bin License (a "License"). Storage Bins may only be owned by Unit Owners. A Unit Owner who owns a Storage Bin License will only be permitted to sell it to another Unit Owner or the Purchaser of a Unit. There is no certainty that when a Unit Owner sells his or her Unit there will be another Unit Owner, who may want to purchase the Storage Bin License if the Unit Owner's purchaser is not interested in purchasing it, in which event the Unit Owner will have to surrender it to the Board. A temporary certificate of occupancy is not required for the sale of use rights with respect to Storage Bin Licenses. Purchasers may be required to consummate their purchase of use rights with respect to a license simultaneously with their Unit(s)' closing even though a temporary certificate of occupancy has not been issued (and access may not be available) for the areas of the Building designated for the Storage Bins. However, in that case, all funds paid for the Storage Bin License will be retained in escrow until such time as the Storage Bin is made available to the Unit Owner. Purchase Prices and license fees for the use of the Storage Bins are set forth in Schedule A-1. The unavailability of Storage Bin Licenses shall not give rise to any rescission rights to any Purchaser, provided that no funds will be released from escrow by Escrow Agent to Sponsor attributable to any Storage Bin License until such license is available and has a temporary certificate of occupancy (if applicable). See the sections of the Plan entitled "Procedure to Purchase" and "Closing of Title to Units" for more details.

The Storage Bins may only be used for storage purposes, and in no event may the Storage Bins be used as dwelling spaces. No materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein, and Storage Bins may not be used to

store toxic, inflammable or combustible items as defined in the Building Code of the City of New York. Failure of a Residential Unit Owner to comply with the use limitations set forth in the immediately preceding sentence may result in issuance by the New York City Department of Buildings of a violation against the Building along with imposition of an associated fine, which fine shall be paid by the violating Residential Unit Owner as more particularly set forth in By-Laws. Notwithstanding the foregoing, Sponsor or its designee shall have the right to use any unlicensed Storage Bins for any purpose permitted by Legal Requirements (as hereinafter defined) or to change the permitted use of any unlicensed Storage Bins, subject, however, to the provisions of the Declaration. If at any time the licensee of a Storage Bin sells its Residential Unit, it shall simultaneously assign its license of the Storage Bin to another owner of a Residential Unit, and if it fails to do so, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. The area in which the Storage Bins are located is not climate controlled. See the "Description of Property and Improvements" Section of Part I of the Plan.

At or prior to delivery of the Storage Bin License to Purchaser, Sponsor has the right, with or without prior notice to Purchaser, to substitute the Storage Bin designated in the Storage Bin License (the "Original Storage Bin") or in the Storage Bin rider therefor for an alternate Storage Bin (the "Substituted Storage Bin"), provided that such Substituted Storage Bin is of equal or larger size than the Original Storage Bin and provided further fees payable by Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor's rights to designate a Substituted Storage Bin shall not result in an increased payment purchase price or monthly license fee for the Storage Bin and shall not afford Purchaser any abatement in Purchase Price or excuse Purchaser from its obligations under the Storage Bin License. Please refer to the Section of the Plan entitled "Introduction – Offering of Storage Bin Licenses" for further discussion.

67. **Confidentiality.** Sponsor and Purchaser hereby acknowledge and agree to keep all of the terms and conditions of the Option Agreement confidential, except that Sponsor shall be permitted to disclose that this Agreement has been executed for the Unit and the purchase price thereunder, but not the identity of Purchaser or its principals. Sponsor and Purchaser agree that any information which is required to be disclosed to the parties respective lawyers, brokers, architects/engineers, accountants, individuals who "need to know" or governmental agencies shall not be deemed to be a breach by Sponsor or Purchaser of the parties undertaking of confidentiality contained in this Agreement. Any failure by Purchaser to keep the terms and conditions of the Agreement confidential shall be a default by Purchaser, entitling Sponsor to the default remedies set forth in this Agreement.

68. **Prohibition of Firearms.** All firearms are banned from the Building. No Unit Owners, their families, guests, service personnel, employees, agents, visitors or licensees shall at any time have or harbor firearms while in the Building, except as approved by the Board in its sole discretion.

69. **Smoking.** Smoking shall not be permitted anywhere on the Property including in Residential Units and on Terraces. The Board shall have the right to obtain a court order enjoining

the occupant of a Unit from smoking in the Unit or the Common Elements and the Board shall have the right to seek the eviction of a tenant, who smokes in a Unit or the Common Elements. In addition to all other remedies available to the Board, violation of this policy shall subject the Unit Owner to (i) a fine in an amount to be determined from time to time by the Board and (ii) reimbursement of any fees or expenses incurred by the Condominium (including legal fees) in enforcing this provision. See Section 6.14.1.5 of the Condominium By-Laws, Section 57 of the Purchase Agreement and the Section of the Plan entitled “Rights and Obligations of Unit Owners and the Condominium Board.”

70. **Stack Effect.** “Stack Effect” is a phenomenon that can exist in all buildings and is caused by a difference in temperature between the inside and outside of a building, resulting in different air densities. Stack Effect may generate uncontrolled airflows throughout the Building, which could result in, among other things, noise conditions. The Building has been designed to minimize the potential impact of Stack Effect, however Sponsor makes no guarantee or warranty as to the effectiveness of such mitigation measures.

71. **Restriction on Hanging Electronic Equipment.** Unless the occupant of a Unit takes measures to minimize sound transmission between units, televisions, audio speakers and other noise generating equipment should not be hung on demising walls separating residential units as this could transmit noise from one residential unit to the next. Moreover, Residential Unit Owners shall not be permitted to make any attachments or penetrations to demising walls separating residential units so as to affect the fire resistance and/or smoke rating of such walls, as required by applicable legal requirements.

72. **Model Residential Unit.** Purchasers are advised that there may be certain design elements included in a model Residential Unit that are not offered for sale and not included in the Residential Units being sold. Specifically, the furniture, furnishings, materials, equipment, hardware, installations, lighting or decorations displayed in a model Residential Unit should not be deemed to be included in the sale of a Residential Unit, except as otherwise described in this Plan. The materials, appliances and finishes, etc. in the Building and/or Residential Units are described in this Plan and are subject to modification as provided herein, and may vary from those displayed in a model Residential Unit. All dimensions in a model Residential Unit are approximate and subject to normal construction variances and tolerances. Purchasers should consult the Floor Plans appearing as Exhibit 9 in Part II of the Plan and consult Sponsor with any questions as to precisely what design elements their Residential Unit will include.

73. **Safety Devices.** Residential Units will be equipped with certain safety devices including fire and carbon monoxide alarms, which have to be checked regularly to make certain that they are operating properly. Checking the safety devices will be the Unit Owner’s responsibility.

74. **Mold.** Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to

ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for and Purchaser hereby waives any claim for any actual, special, incidental or consequential damages based on strict liability, or breach of express or implied warranty, unless caused by the negligence or misconduct of Sponsor. The provisions of this paragraph shall survive closing of title or the termination of the Option Agreement. See the Option Agreement, set forth as Exhibit 1 in Part II of the Plan, for more information.

75. **Rebates to Unit Owners of Surplus of Annual Receipts.** Notwithstanding the various Common Charges required to meet the expenses set forth in the projected Budget for the first year of Condominium operations in connection with the Budget provided in this Plan or until the expiration of the Initial Control Period, if the actual expenses of operating the Condominium are less than the projected expenses set forth in the Budget for the first year of Condominium operations then, to the extent such excess was paid by such Unit Owner, the difference between the actual expenses and the full Common Charges may be refunded to all Unit Owners (including the Sponsor) on a pro-rata basis in the form of either a credit against future Common Charges or as a cash reimbursement if the Unit Owner (including the Sponsor) has sold the Unit prior to the receipt of the full credit. 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 such computation.

Notwithstanding the foregoing, if a refund is contemplated for the first or any subsequent year of Condominium operation, such refund may only be effectuated if an independent certified public accountant, as part of its preparation of the yearly annual certified financial statement for the Condominium has determined that a refund is warranted based on an excess payment of Common Charges by Unit Owners over actual expenses for the Condominium and has determined the amount of such refund as part of its annual review. Sponsor shall continue to update the budget, in accordance with the governing regulations. For purposes of this Plan, an "excess payment of Common Charges" shall mean the actual expenses of the Condominium (or specific sections of the Condominium as applicable) were less than the projected expenses set forth in the Budget of the Condominium (or the applicable section). No refund may be given unless all expenses of the Condominium are paid, including but not limited to, insurance premiums, reserve funds and contingency funds. During the budget year following a year for which a refund was effectuated, no special assessment or increase in Common Charges shall be instituted to pay for any item which was set forth in the previous year's budget and which was refunded to Unit Owners as per the foregoing. See the Attorney's Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Residential Units by individual Unit Owners.

76. **Construction Disputes.** Prior to bringing any lawsuit, arbitration or administrative proceeding (a "Proceeding") against the Sponsor and/or the Sponsor's consultants, professionals, members, managers, or the Sponsor Principal (collectively, the "Sponsor Parties") relating to the construction of all or part of the Building (including the Units and Common Elements), the party intending to bring the Proceeding must have a report prepared (the "Correction Report") by an independent, licensed, architect or engineer (the "Inspecting Professional"). The Correction Report must identify the specific areas of the Building that are not in compliance with the specific

provisions of the Offering Plan, the Plans and Specifications filed with the Department of Buildings, and/or the local construction codes (a “Claim”). The Sponsor shall have a 90 day period after the receipt of the Correction Report to correct any of the Claims or explain why the Claim is incorrect, prior to the Proceedings being brought by the Unit Owners or the Board, other than life or health threatening matters which will be corrected immediately. The Sponsor shall have no responsibility for damages to the Units or the Building arising out of the Unit Owner’s, the Managing Agent’s or the Board’s failure to properly inspect, maintain or repair the Property.

77. **Marketing Material.** In no event shall the presence of any furniture, furnishings, finishes, equipment or decorations, wall coverings, window treatments, carpeting and the like (“FFE”) in any portion of the Building or Residential Units set forth in any marketing materials and/or advertisements, and/or websites used in connection with the sales and marketing of the Residential Units imply or represent that any such FFE will be located within any portion of the Building or Residential Units. The presence of FFE in such marketing materials is for illustrative purposes only. Purchasers should note that references on the Floor Plans to galleries within Units can also be termed hallways or corridors. Similarly the term media room does not imply that the room is pre-wired or particularly suited to presentation of media or limited to such use but rather is a suggestion of how the room might be used. That same room might also be used in other ways, including as a sitting room, study, office or bedroom. In no event, however, shall any designations, labels or nomenclature used in marketing materials conflict with the legally permitted uses of such areas or rooms.

78. **Fireplaces.** PHA, PHB and PHC will contain fireplaces. The fireplaces will be part of each such Unit. The shafts, flues and chimneys will be Limited Common Elements appurtenant to each such Unit. Unit Owners whose Units contain fireplaces will be responsible for Maintenance and capital repairs of same together with their appurtenant Limited Common Element shafts, flues and chimneys and must comply with all Laws applicable thereto, including inspections, and maintaining proper insurance. In accordance with applicable Law, the fireplace flues must be cleaned at least once annually at the Unit Owner’s cost and expense using contractors and servicepersons approved by the Condominium Board, unless otherwise determined by the Condominium Board. All fireplaces will comply with the then current New York City Department of Buildings requirements. Sponsor makes no representation that in the future, gas operated fireplaces will be permitted in the City of New York as a matter of Law. Purchasers are advised to review Subchapter 14 of Title 27 of the Building Code entitled “Heating and Combustion Equipment” and the “Description of Property” each set forth as an Exhibit in Part II of the Plan.

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

80. **Interstate Land Sales Full Disclosure Act Exemption.** The Interstate Land Sales Full Disclosure Act 15. U.S.C. §§ et seq. (“ILSA”) is a federal statute administered, as of July 21,

2011, by the Consumer Financial Protection Bureau (“CFPB”) pursuant to the Dodd-Frank Act. ILSA requires sellers of lots in certain subdivisions to file a statement of record (the “Statement of Record”) and property report (the “Property Report”) with CFPB and provide a copy of the Property Report to purchasers before they sign a purchase agreement, unless the project or sale is exempt from this filing requirement.

On September 26, 2014, President Obama signed into law a bill amending ILSA to exempt sponsors of new construction condominium projects from the obligation to file a Statement of Record and Property Report. The law took effect on March 25, 2015. Accordingly, the registration and filing requirements of ILSA are not applicable to the Condominium as the Condominium is exempt from same. Thus, Purchasers will receive the Plan only, without copies of a Statement of Record and Property Report, and will not have the rights afforded purchasers of units in non-exempt projects pursuant to ILSA.

81. **Building Settling.** As described more particularly in the “Description of Property” in Part II of the Plan, all buildings and the attached nonstructural components endure, and Sponsor shall not be responsible for, short and long term creep and shrinkage along with various deformations and movements under different loadings: differential column shortening, lateral story drift, building racking, deflection and thermal deformation, and similar results. Residential Unit Owners should expect structural movement that may result in uneven floors, minor cracking in partitions, floor, and ceiling finishes and other cosmetic issues, which process may be accelerated by excessive loading on Building floors, and Sponsor shall not be obligated to correct any of the foregoing conditions. The maximum weight load for the typical floor within a Unit is 40 lbs. per square foot. Sponsor shall remain obligated to construct the Building in accordance with all applicable code and the Plans and Specifications. (See the Section entitled “Rights and Obligations of Sponsor” in Part I of the Plan for further discussion.)

82. **Additional Units.** Sponsor reserves the right to change the number and size of the Unsold Units by, among other things, subdividing and reconfiguring the Unsold Units and, as the case may be, in connection with such subdivision and reconfiguration, re-designating in an amendment to the Declaration. In such event, the Common Interest appurtenant to any diminished Unit will decrease and such reduced Common Interest will be allocated to and/or among the newly created and/or configured Units. Sponsor expressly reserves the right, from time to time prior to the First Closing, to effect such changes among the Unsold Units and to amend the Plan so as to reflect the same.

Notwithstanding the foregoing, where an Agreement for a Unit has been countersigned by Sponsor and returned to Purchaser, no material change will be made in a Unit’s size, layout or proportionate share of aggregate Common Interest unless (i) the affected Purchaser consents; (ii) the Purchaser is in default beyond any applicable grace or cure periods, or (iii) the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Law, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor’s reasonable control, and where, in the exercise of sound construction management practices, no practicable alternative exists), and in such event covered by this clause (iii), Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for

at least 15 days, to rescind their Agreement(s) and receive a refund of their Option Payment(s), together with all interest earned thereon. There is a rebuttable presumption that a Unit size that is diminished by 5% or less is not material.

(See the Sections entitled “Changes in Prices, Units” in Part I of the Plan for further discussion.)

83. **Title Indemnity.** Purchaser shall provide to Sponsor, at least five (5) business days prior to Closing, an Indemnity Agreement substantially in the form annexed to the Option Agreement as Exhibit A or in such other form as may be acceptable to Sponsor (the “Title Agreement”), in its sole discretion, wherein Purchaser’s title underwriter agrees to (x) timely submit the Unit Deed, all New York State and New York City real property transfer tax forms, including the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the “Mansion Tax” (“transfer taxes”) and checks for payment of such transfer taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser in connection herewith; and (y) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys’ fees) in the event Purchaser’s title underwriter (or such title underwriter’s abstract company) fails to file such Unit Deed and transfer tax forms and remit the payment of the required transfer taxes in connection therewith in a timely manner in accordance with Law and the requirements of any governmental or quasi-governmental agency.

In the event the Title Agreement is not delivered as set forth above, (x) Purchaser will indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys’ fees) in the event Purchaser’s title underwriter (or such title underwriter’s affiliated abstract company) fails to file such Unit Deed and transfer tax forms and remit payment of the required transfer taxes in connection therewith in a timely manner in accordance with Law and the requirements of any governmental or quasi-governmental agency; and pay any such taxes, fines or penalties assessed or charged by any governmental or quasi-governmental agency. Purchaser acknowledges, however, that the above fees and penalties are not a maximum payment in the event the Unit Deed and transfer tax forms are not filed and/or the payment of the required transfer taxes are not paid in a timely manner. See the Section of the Plan entitled “Procedure to Purchase” and the Option Agreement in Part II of the Plan.

84. **Affordable Unit.** Residential Unit 2E (the “Affordable Unit”) is subject to a Regulatory Agreement between the Sponsor and the City of New York Department of Housing Preservation and Development (“HPD”), which provides that the Unit can only be purchased by a low income family with an income equal to a maximum of 80% of Area Median Income (“AMI”). The Affordable Unit may only be resold to an eligible buyer or leased to an eligible tenant in accordance with the terms of the Regulatory Agreement and the Zoning Resolution. The Housing Partnership Development Corporation has been appointed as administering agent to ensure compliance with such Regulatory Agreement and Zoning Resolution. The Regulatory Agreement is described in Section BB2 and a copy of the Regulatory Agreement is contained in Exhibit 16 in Part II. The Common Charges and real estate taxes on the Affordable Unit are fixed based on a formula contained in the Regulatory Agreement and the budget for the Residential Section is required to cover any shortfall for each fiscal year. Sponsor estimates that the increased cost to

the average Unit Owner will be approximately \$14.11 per month during the First Year of Operation, which amount is included in the estimated common charges currently set forth in Schedule A. In the event the funds are not adequate the Budget for the Residential Section also contains a contingency to cover the cost. The Regulatory Agreement also provides that the Declaration cannot be amended without the approval of HPD.

85. **Lot Line Windows.** The building is cantilevered above the abutting adjacent lots to the south. Windows within 60' of the roof of adjacent buildings comply with NYC DOB Building Bulletin 2015-17 for lot line windows, with allowances for windows to provide light and air. The lot line windows in the cantilever are located in: Units 8-12E, 14-16E, Units 8-12F, 14-16F, 17-22D, PHC. The lot line windows located along the south lot line with Lot 13 are located in units 4-7F, 8-12E, 14-16E. There is a light and air easement between development lot 55 and lot 8, 10, 13 within the zoning lot that permits these windows to remain, except as indicated below. Windows along the south facade at the 4th and 5th floor directly below the cantilever are specified to be 2-hr fire rated as they are located below the cantilever. In the event that the neighboring lot is developed at a height at or above these windows, these lot line windows may be blocked but they will not need to be sealed. There is one fire rated lot line window in each of the following units: 4F, 4G, 5F, 5G. Windows located below the light and air easement at the south-east corner façade along Lot 13 in Units 4-5F will need to be closed if Lot 13 were to construct next to them and windows located at the south façade along Lot 10 in Units 9E and 9F will need to be closed if Lot 10 were to construct next to them. Unit Owners will be responsible for the cost of closing lot line windows located in their Unit in the event they are required to be closed. It is currently estimated that the cost to close each of these lot line windows would be approximately \$1,500 per window.

B. INTRODUCTION

1. The Offering Plan

PARAGON JV PROP III LLC, a Delaware limited liability company (“Sponsor”), hereby presents this offering plan (the “Plan”) for the establishment of condominium ownership of certain land consisting of approximately 12,588 square feet on the west side of Broadway and the south side of West 96th Street (the “Land”), including a building with twenty-five (25) construction floors, inclusive of roof levels and Cellar levels (the “Building”) containing 131 Residential Units, which are referred to collectively as the “Residential Units”. The Residential Units, the Residential Common Elements and the Residential Limited Common Elements are referred to collectively as the “Residential Section”. The Building will also contain a Non-Residential Unit, which is referred to as the “Non-Residential Unit”, together with the appurtenances thereto. The Land and the Building are collectively referred to herein as the “Property”. The condominium will be known as “250 West 96th Street Condominium” and is called the “Condominium” in this Plan. Sponsor acquired the Land on April 24, 2019.

The purpose of the Plan is to set forth in detail all material facts relating to the offering by Sponsor of the 131 Residential Units and 28 Licenses for Storage Bins. At this time, the Non-Residential Unit will not be offered for sale. The Residential Units will have an entrance on West 96th Street and the Non-Residential Unit will have an entrance on Broadway.

Sponsor reserves the unconditional right to rent or lease, rather than sell, the Offered Units after the consummation of the Plan. As a result, Purchaser may be acquiring a Unit that has been previously occupied, but unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies. Because Sponsor reserves the unconditional right to rent or lease Units, there is no commitment to sell more Residential Units than the fifteen percent (15%) of such Units necessary to declare the Plan effective and, accordingly, Residential Unit Owners may never gain effective control and management of the Condominium and/or Residential Section, and the First Annual Meeting may never occur. (See the Sections entitled “Introduction”, “Procedure to Purchase”, and “Rights and Obligations of Sponsor” in Part I of the Plan for further discussion.)

The Plan is presented in two parts (in one volume) which together constitute the entire Plan. Part I sets forth a general description of the Plan and Part II contains all of the material terms of the transaction and the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of the Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor’s architect, certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation and certain agreements to which the Condominium will be bound. In addition, Sponsor has filed exhibits to the Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). The Plan, including all Schedules set forth herein in Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of the Plan and the exhibits will be available for inspection by prospective Purchasers without charge and for copying at reasonable fees at Sponsor’s office and at the offices of the Department of Law, 28 Liberty Street, New York, New York. Copies of the Plan and the

exhibits may also be borrowed from Sponsor upon payment of two hundred and fifty dollar (\$250) deposit, which amount will be fully refunded after the earlier of (i) the prompt return of all borrowed materials in good condition within ten (10) days or (ii) the execution by the borrower of an Agreement subsequently accepted by Sponsor. All of these documents are important and should be carefully read by prospective Purchaser. Prospective Purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. All capitalized terms used in the Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions", unless otherwise indicated.

2. The Condominium

The Sponsor is constructing the Building on the Land, which will be subject to a certificate of occupancy. The Building will contain twenty-two (22) floors above grade exclusive of roof levels, including twenty-one (21) residential floors exclusive of roof levels, Lobby Level, First Floor retail level and Cellar level. The floors in the Building are named (from bottom to top): Cellar, Lobby Floor, First Floor, Floors 2-12, 14-22 and Penthouse and roof but no 13th Floor. As more particularly described herein, the Building will include (a) a Residential Section containing the 131 Residential Units on Floors 2-12, 14-22 and Penthouse and the Residential Common Elements which are located on a portion of the Cellar and Lobby Floor, (b) one (1) Non-Residential Unit located on the First Floor, and (c) the Non-Residential Common Elements.

There will be available to occupants of the Residential Section, certain first class residential services, including, but not limited to, concierge service, doorman, automatic elevators, and cable television and internet service at an additional charge, lounge and security systems.

3. Features of Condominium Ownership

The ownership of a Residential Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to his or her Unit and is entitled to the exclusive possession thereof. The owners of the Residential Units are collectively entitled to the exclusive use of the Residential Common Elements. He or she also owns, in common with the owners of all other Residential Units, an undivided interest in (and right to use) the Residential Common Elements, and, in common with the owners of all other Units, an undivided interest in (and right to use) the General Common Elements.

Each Unit Owner is obligated to comply with the Declaration and By-Laws, Rules and Regulations, and any other requirements of the Condominium Board. The Condominium Board shall have the authority to manage the Condominium. The Unit Owners have the right to vote for members of the Condominium Board after the Initial Control Period.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage his or her Unit(s) with such lender and in such amount as he or she chooses. However, Sponsor makes no representations about whether a Purchaser will be able to finance the purchase of any Unit. There are no limitations or restrictions upon the rights of the Non-Residential Unit Owner to mortgage the Non-Residential Unit. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

A Unit Owner may decorate the interior of his or her Unit in any way desired except as otherwise provided in the By-Laws and Rules and Regulations and Law, and will be solely responsible for the cost of maintenance and interior repairs to his Unit after Closing. The Board may not limit or restrict the rights of the Non-Residential Unit Owner to decorate the Non-Residential Unit.

Once separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will his or her Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Please refer to the opinion of Holland & Knight LLP, counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for federal, New York State and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Residential Unit.

The Board does not have the right to approve or disapprove a purchaser of a Residential Unit. With certain exceptions (for example, Sponsor and its designee are not required to give the Board a right of first refusal with respect to any Unsold Units), any sale or lease of a Residential Unit will be subject to a right by the Board to acquire or lease such Residential Unit or to produce a third party to acquire or lease such Unit on the same terms as were offered to the owner of such Unit. The Board has the right to reject sales and leases to purchasers and tenants who themselves (or Residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal. The Non-Residential Unit Owner may sell or lease all or any portion of its Unit, without any restriction or limitation imposed pursuant to the Declaration or the By-Laws. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Unit Owners and the Board of Managers – Sales and Leases of Units". Currently, there is no limit on the number of owners who may purchase for investment (rather than for personal occupancy). Accordingly, there may always be a substantial percentage of owners who are non-Residents.

The statute concerning condominiums in effect in the State of New York pursuant to which the Condominium will be organized is Article 9-B of the Real Property Law of the State of New York, as amended, commonly known, and hereinafter referred to as the "Condominium Act". The Property will be submitted to the provisions of the Condominium Act by Sponsor's recording of the Declaration in the City Register's Office. From and after the date of recording the Declaration, Sponsor will be the owner of the Units until each is sold or conveyed. The Condominium will comply with all statutes and regulations applicable to condominiums in the State of New York.

Generally, the cost of operating the Residential Common Elements will be borne by the Residential Unit Owners in proportion to their respective Common Interests and the cost of operating the Non-Residential Unit and appurtenant common elements will be borne entirely by the Non-Residential Unit Owner. Residential Unit Owners, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Non-Residential Unit and the Non-Residential Unit Owner, as such, will have no interest in any rents, profits or revenues derived from the rental or use of any space in the Residential Section. The costs and expenses of operating and maintaining the General Common Elements will generally be shared by all Unit

Owners in proportion to their respective Common Interest except as otherwise provided in the projected “Budget for First Year of Condominium Operation, Schedule B” in Part I of the Plan or in accordance with the terms of the By-Laws. The Condominium Board may make allocations of General Common Expenses and Residential Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with Law. The Condominium Board cannot change the method of allocation of Common Expenses or increase the number of building employees servicing the Non-Residential Unit as set forth in Schedule B, without the consent of the Non-Residential Unit Owner.

The Residential members of the Condominium Board will be designated as the Residential Committee and will be responsible for deciding all matters solely concerning the Residential Section. The Non-Residential Unit Owner will be responsible for deciding all matters solely concerning the Non-Residential Unit and Non-Residential Common Elements. Matters affecting both the Residential Section and the Non-Residential Section or affecting the General Common Elements will be decided by the Condominium Board.

As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Board determines, the Board will assess Common Charges. Such charges will be assessed against Residential Unit Owners in proportion to their respective Common Interests except as otherwise determined by the Condominium Board in accordance with the Condominium Act, Sections 339-i and 339-m. As set forth in the projected “Budget for First Year of Condominium Operation, Schedule B” the Non-Residential Unit Owner is obligated to pay as part of its monthly Common Charges a portion of the following expenses: payroll and related expenses, repairs and maintenance; service contracts; insurance; management fee; administration; other miscellaneous expenses; and contingency. The Non-Residential Unit Owner are not obligated to pay any part of electricity; gas water and sewer charges; and costs associated with the Resident Manager’s Unit since such budget line items exclusively benefit the Residential Unit Owners, and are services which are not fairly attributable to the Non-Residential Unit’s use of the Common Elements..

After the closing of title to a Residential Unit, a Residential Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property situated within his or her Residential Unit, as well as liability insurance with respect to occurrences in or about his or her Residential Unit. The By-Laws require that each Unit Owner maintain such insurance coverage. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. See the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers” for a more complete discussion of the foregoing.

There are no limitations on who may purchase Residential Units. Under the New York Real Property Law, a condominium unit may be owned by an individual, a corporation, a partnership, an association, a trust or any other entity which is permitted to take title pursuant to New York Law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Units and may, if it chooses, withhold one or more Units for future sale for any reason whatsoever, without the consent of either of the Board, any Unit Owner, or mortgagee, to refuse to approve

and execute (a) an Agreement for any Unit and (b) an Agreement or Agreements, as the case may be, for more than one Unit to any one person or entity; provided, however, that, in either event, Sponsor shall not discriminate against any person because of his or her race, creed, color, sex, disability, marital status, age, ancestry, national origin or other ground proscribed by Law. No binding obligation will arise for the sale of a Unit unless and until an Agreement executed by both Purchaser and Sponsor, has been exchanged and Sponsor has collected the funds constituting Purchaser's required Option Payment thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than eighteen (18) years of age or an incompetent under Law.

Current zoning permits the residential use of all Residential Units offered for sale and the Non-Residential use of the Non-Residential Unit. Neither the Condominium Board nor the Unit Owners will have any right to restrict or limit any lawful use of the Non-Residential Unit. No representation or warranty is made as to who the owner(s) or tenant(s) of the Non-Residential Unit may be at any time or as to the uses to which the Non-Residential Unit and the Plan will be amended to disclose any new owner of the Non-Residential Unit. It is noted that applicable zoning permits a broad range of uses of such space, including, by way of example only and not by way of limitation, community facility use, retail use, use as an eating and/or drinking establishment and use for service establishments.

Sponsor has not obtained construction financing and does not currently anticipate needing to do so to complete construction.

The Condominium Board does not have the right to approve or disapprove purchasers, and as a result, there is no limit on the number of owners who may purchase a Unit for investment rather than for personal occupancy, and there may always be a substantial percentage of Unit Owners who are non-Residents.

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

4. Offering of Units for Sale

Sponsor hereby offers for sale 131 Residential Units and 28 Storage Licenses. All equipment and fixtures described in this Plan as being included in a Unit are included in the Offering Price. The prices for each of the Units offered under the Plan are listed in Schedule A entitled "Offering Prices and Related Information, Schedule A". **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.**

The estimated Common Charges for each Unit for the first year of operation of the Property as a condominium are also set forth in Schedule A.

Sponsor will endeavor in good faith to sell all of the offered Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Offered Units. However, under the terms of this Plan, Sponsor may retain ownership of the Non-Residential Unit and may, decide to rent certain Offered Units from time to time. As a consequence of the foregoing, Residents of the Condominium may be comprised of Residential Unit Owners and tenants leasing from Sponsor or other Residential 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 Residential Unit Owners and a Residential Unit Owner seeking to resell or refinance a Residential Unit may experience difficulty. Because Sponsor is not limiting the conditions under which it will rent rather than sell units, there is no commitment to sell more units than the fifteen percent (15%) necessary to declare the Plan effective and owner-occupants may never gain effective control and management of the Condominium. See Section of the Plan entitled "Rights and Obligations of Sponsor" for further detail.

Sponsor reserves the right to sell ten (10) or more Units in the Condominium and to designate the purchaser of such block(s) of Units as a "sponsor" under this Plan. The party so designated as a "sponsor" or "sponsor-designee" will have those additional rights and obligations (including the obligation to comply with all applicable Legal Requirements) applicable to a "sponsor" or "sponsor-designee" as more fully described in the Plan including the assumption of the status and all of the obligations of Sponsor for those Units under this Plan, applicable Laws or regulations.

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 the sponsor or its designee has not sold a substantial percentage of the apartments in the building or group of buildings. 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.

Each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund and the Reserve Fund of the Residential Section, as the case may be. Such contribution, to be made at the time of Closing of the Unit, shall be in an amount equal to one (1) months' Common Charges in effect at the time of closing for each Unit purchased for each Fund. The contributions are not refundable. (See the Section entitled "Working Capital Fund and Apportionments").

In addition to the payment of Common Charges, each Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against his or her Unit, interest and amortization payments on the mortgage, if any, which such Purchaser may, at his or her option, obtain, and charges for electricity consumed in his or her Unit.

The charges for electricity consumed by each Residential Unit Owner will be submetered. Water charges and sewer rents, assessed by The City of New York, will be billed to the Unit Owner as a Common Expense. The costs and expenses of central heat and gas with respect to the Residential Section will be included in Residential Common Charges; Residential Unit Owners will be required to pay charges for electricity consumed by the heat pump HVAC Units for each Residential Unit which provides air conditioning and heating to each Residential Unit. Electricity and gas in the Non-Residential Unit will be separately metered. Schedule A sets forth estimates of the amounts of real estate taxes which will be payable with respect to each Residential Unit. See the Notes to Schedule A with respect to the bases of such estimates. See Schedule B-1 for the projected Budget for Individual Energy Costs for the First Year of Condominium Operation.

5. **Resident Manager's Unit**

On the earlier of three (3) years after the First Closing or 30 days after all of the Residential Units are sold, Sponsor will sell one Unit, presently intended to be Unit 4G, to the Condominium, which will own such Unit on behalf of all Unit Owners and will use the same for the residence of the Resident Manager ("Resident Manager's Unit"). The Purchase Price for the Resident Manager's Unit, which is currently anticipated to be Unit 4G, will be \$2,315,000, which is \$1,893 per square foot for 1,223 square feet. The closing costs applicable to the transfer of the Resident Manager's Unit are anticipated to be approximately \$85,000, which will be paid by the Condominium. Sponsor reserves the right, in its sole discretion, to choose a different Unit other than Unit 4G to sell to the Condominium Board as the Resident Manager's Unit. If the Sponsor sells a Unit other than Unit 4G as the Resident Manager's Unit, in no event will the Purchase Price be greater than \$1,893 per square foot.

Sponsor retains the option of purchasing an apartment in the building within one block of the Condominium containing approximately the same square footage as Unit 4G and a price per square foot of not more than \$1,893 per square foot (the "Alternate RMU"), in which event the RMU will be in a different building and each Purchaser's share of the cost will be based on the other building, provided, however the amount paid by each Purchaser shall not exceed the amount shown on Schedule A.

In respect of such Resident Manager's Unit, at the closing of title to each Unit, the Purchaser thereof, as a closing cost, will be required to pay on behalf of the Condominium Board such Purchaser's share of the cost of the Resident Manager's Unit determined in accordance with the Common Interest the Unit purchased in proportion to the Common Interest appurtenant to all Residential Units (other than the Resident Manager's Unit) and in the amount more particularly set forth on Schedule A, "Purchase Prices and Related Information" in Part I of the Plan. See "Notes to Schedule A" for more information. Simultaneously with the First Closing, Sponsor will place the deed for the Resident Manager's Unit in escrow with Sponsor's counsel.

ALTHOUGH THE CLOSING OF TITLE TO THE RESIDENT MANAGER'S UNIT MAY NOT OCCUR UNTIL AFTER A PURCHASER HAS CLOSED ON HIS OR HER UNIT, EACH PURCHASER OF A UNIT WILL PAY A PROPORTIONATE SHARE OF THE COST TO PURCHASE THE RESIDENT MANAGER'S UNIT AT SUCH PURCHASER'S

CLOSING.

The taxing authorities are likely to require that each Purchaser's allocable portion of the cost of the Resident Manager's Unit be included in the total consideration deemed to have been paid by such Purchaser to Sponsor; and, at Closing, Purchaser will pay the incremental additional transfer taxes attributable to such additional consideration.

Sponsor reserves the right, at any time following the First Closing, to convey the Resident Manager's Unit to the Condominium Board. In the event Sponsor conveys the Resident Manager's Unit to the Condominium Board before the full Purchase Price therefor has been paid, the portion of the Purchase Price not collected as of such time will be payable by a promissory note from the Condominium Board to Sponsor (the "RMU Note"). The RMU Note will be non-interest bearing. The principal balance of the RMU Note will be reduced each time Sponsor conveys a Unit and collects from the Purchaser of such Unit, such Purchaser's proportionate share of the cost to purchase the Resident Manager's Unit. The term of the RMU Note will expire when the full balance due under the RMU Note has been paid to Sponsor.

The Condominium Board shall pay all expenses of the Resident Manager's Unit from and after the First Closing regardless of when the closing of title to such Resident Manager's Unit occurs as aforesaid.

All costs and expenses of the Resident Manager's Unit and repairs thereto, as well as all utilities serving same, shall be expenses of the Condominium Board at all times. In addition, until such time as title to the Resident Manager's Unit has been conveyed to the Condominium Board, Sponsor may charge the Condominium Board a reasonable rental in respect of the Condominium's use thereof.

Prior to the sale of the RMU to the Condominium, Sponsor will lease the Resident Manager's Unit to the Board for use as the Resident Manager's residence. The rent for the Resident Manager's Unit shall consist of the Common Charges and real estate taxes payable for the Resident Manager's Unit. Sponsor does not share in any of the acquisition costs for the Resident Manager's Unit, even though the Resident Manager will service the Unsold Units. The Condominium will not be responsible for the expenses of the Resident Manager's Unit if the Resident Manager is not residing therein.

6. Offering of Storage Bin Licenses

Sponsor hereby offers Purchasers the opportunity to purchase the rights to one of the 28 Storage Bins pursuant to a license agreement (each such license being a "Storage Bin License," and each such license agreement being a "Storage Bin License Agreement,") at the offering prices listed on Schedule A-1. The form of the Storage Bin License Agreement to be used for licensing the use of such Storage Bins to individual Unit Owners is included in Part II of this Plan as Exhibit 3. The Storage Bins will range in size from approximately 9 to 35 square feet, having an average size 20 square feet. The area in which the Storage Bins are located is not climate controlled. All storage bin licenses will be available within 18 months after the First Closing.

The price for each Storage Bin License is listed on Schedule A in Part I of the Plan. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Holders of Storage Bin Licenses, excluding Sponsor with respect to unsold Storage Bin Licenses, will be required to pay a license fee to the Condominium in an amount equal to \$1.50 per square foot per month of such Storage Bin, which amount shall, following the First Closing, be subject to biannual increases based upon the CPI Increase Factor in effect on the date of the First Closing. Further, the license fee is subject to change from time to time as the Board deems necessary in its discretion.

Sponsor reserves the right to offer as many Storage Bin Licenses as it determines in its sole discretion. Sponsor shall offer the Storage Bin Licenses to Purchasers of Residential Units on a first-come, first-served basis until such time as all of the Storage Bin Licenses have been purchased. Sponsor reserves the right to limit the number of Storage Bin Licenses sold to any one Purchaser or to make bulk sales, as it determines in its sole discretion. Storage Bin Licenses will only be sold by Sponsor to Purchasers of Residential Units. Prospective Purchasers will be required to deliver a deposit in the amount of fifteen percentage (15%) of the Purchase Price of the Storage Bin License upon execution of an Agreement as set forth in the Storage Bin License rider to the form of Agreement included in Part II of this Plan.

At or prior to delivery of the Storage Bin License to a Purchaser, Sponsor hereby reserves the right, with or without prior notice to such Purchaser, to substitute the Storage Bin designated in such Purchaser's Agreement (the "Original Storage Bin") or in the Storage Bin rider therefor for an alternate Storage Bin (the "Substituted Storage Bin"), provided that such Substituted Storage Bin is equally sized or larger than the Original Storage Bin and provided further that any monthly license fees payable by such Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor's rights to designate a Substituted Storage Bin shall not result in an increased deposit or Purchase Price due for such Storage Bin License under the Agreement and shall not afford a Purchaser any abatement in Purchase Price or excuse a Purchaser from its obligations under its Agreement.

Storage Bin Licenses may only be purchased by Purchasers or Owners of Residential Units and may only thereafter be licensed to Owners of Residential Units, except with respect to Sponsor or any holder of Unsold Residential Units. Upon the issuance of a Storage Bin License to a Residential Unit Owner or the transfer of a Storage Bin License to an assignee, such Residential Unit Owner or assignee, as the case may be, shall provide the Managing Agent with a copy of the Storage Bin License Agreement.

Purchasers may be required to consummate their purchase of use rights with respect to a license simultaneously with their Unit(s)' closing even though a temporary certificate of occupancy has not been issued (and access may not be available) for the areas of the Building designated for the Storage Bins. However, in that case, all funds paid for the Storage Bin License will be retained in escrow until such time as the Storage Bin is made available to the Unit Owner.

C. CERTAIN DEFINITIONS

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

“Additional Option Payment” refers to the Second Installment required under the Agreement (as defined in the Agreement).

“Additional Tax” shall have the meaning ascribed thereto in Special Risk 25.

“Adversely affect”, or “adverse effect”, as used in the Condominium Documents, shall mean, with respect to any action or proposed change and with respect to any Unit Owner or Owners, that such action or change could, if realized, (i) materially increase the Common Charges payable by such Unit Owner or Owners, (ii) materially interfere with such Unit Owner’s access to its Unit or Units, (iii) materially obstruct or degrade the view from the windows of such Unit Owner’s Unit or (iv) otherwise materially diminish such Unit Owner’s use and enjoyment of its Unit or Units.

“Agreement” or “Option Agreement” refers to the agreement to purchase a Residential Unit pursuant to the Plan, the form of which is Exhibit 1 in Part II of the Plan.

“Alternate RMU” refers to an apartment in another building within one block of the Condominium for the use of the Condominium’s Resident Manager.

“Amenities” refers to the items described in the section of the Plan entitled “Services and Facilities.”

“AMI” refers to Area Median Income which, for purposes of this Plan, is the median income for the New York City region as determined by the U.S. Department of Housing and Urban Development (HUD).

“Board” refers to the Condominium Board.

“Building” refers to the structures and improvements including above and below grade segments, known as “250 West 96th Street Condominium” located at 250 West 96th Street, New York, New York in which the Units of the Condominiums are located.

“Building Code” refers to the New York City Building Code.

“By-Laws” refer to the By-Laws governing the operations of the Condominium, the form of which is set forth in Part II of the Plan.

“Cellar” refers to lower level of the Building.

“City Register’s Office” refers to the New York County office of the Register of The City of New York.

“Claim” shall have the meaning ascribed thereto in Special Risk 76.

“Closing” refers to the time, place and procedure by which fee title to the Residential Unit in question is conveyed to a Purchaser pursuant to a fully executed Agreement.

“Closing Date” refers to the date on which Closing occurs.

“Common Charges” refer to assessments payable to the Condominium Board by the Unit Owners for the purpose of meeting Common Expenses.

“Common Elements” refer to the Land and all parts of the Building, including its foundations, and supports, other than the Units.

“Common Expenses” refer to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements.

“Common Interest” refers to the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit determined in accordance with the Declaration. The Common Interest is the basis of determining, among other things, a Unit Owner’s share of any distributions upon termination of the Condominium.

“Completion Date” shall be the date when the Building is substantially complete and the first TCO for a Residential Unit is issued and is anticipated to be on approximately January 1, 2023.

“Condominium” refers to 250 West 96th Street Condominium.

“Condominium Act” refers to the New York Condominium Act, as amended from time to time and presently found in the New York Real Property Law, Article 9B.

“Condominium Board” refers to the overall board of managers of the Condominium comprised of representatives of the Residential Unit Owners, and the Non-Residential Unit Owner.

“Correction Report” shall have the meaning ascribed thereto in Special Risk 76.

“CPI Increase Factor” refers to an increase proportionate to any increase in the cost of living from the date of the initial recording of the Declaration, as reflected by the change in the Consumer Price Index (CPI-U; All Items; 1982-84 = 100 standard reference base period) for New York, New York (or the smallest measured area including New York, New York), as published by the Bureau of Labor Statistics, United States Department of Labor or, if the same ceases to be published, a commonly used substitute therefor reasonably selected by the Board.

“Custom Work” and “Custom Work Costs” are defined in Special Risk 39.

“Declarant” or “Developer” refers to PARAGON JV PROP III LLC, a Delaware limited liability company, which is developing the Property.

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

“Department of Law” refers to the New York State Department of Law.

“Development Rights” refers to the excess Development Rights appurtenant to the Property after the development of the Building and any additional Development Rights that are granted to the Property in the future.

“Escrow Agent” refers to Holland & Knight LLP.

“Fannie Mae” refers to the Federal National Mortgage Association.

“FCO” refers to a final certificate of occupancy.

“FHA” refers to the Federal Housing Authority.

“First Annual Meeting” refers to a meeting of Residential Unit Owners called within thirty (30) days after the end of the Initial Control Period.

“First Closing”, or words of similar import, refers to the date fee title to the first Residential Unit is conveyed to a bona fide Purchaser pursuant to the Plan.

“Floor Plans” refer to the floor plans of the Building, which are set forth in Part II of the Plan.

“Force Majeure Event” refers to an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor

“GBL” refers to the New York General Business Law.

“General Common Charges” refer to assessments payable to the Condominium Board by the Residential Committee and the Non-Residential Unit Owner for the purpose of meeting General Common Expenses.

“General Common Elements” refer to the Land and all parts of the Building, including its foundations, and supports, other than the Units, the Residential Common Elements, the Non-Residential Common Elements and the Limited Common Elements.

“General Common Expenses” refer to costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the General Common Elements.

“HPD” refers to the New York City Department of Housing Preservation and Development.

“Initial Control Period” refers to the period ending the earlier to occur of: (i)) the Closing of title by Sponsor or its designees of all the Residential Units or (ii) five (5) years after the First Closing.

“Initial Option Payment” refers to the initial payment of the First Installment (as such term is defined in the Agreement).

“Inspecting Professional” shall have the meaning ascribed thereto in Special Risk 76.

“Land” refers to the Property, other than the Building and the appurtenances thereto.

“Law” or “Legal Requirements” means the laws, statutes, treaties, rules, codes, ordinances, and regulations of any or all of the federal, state, city, county and local governments and rules, regulations, orders and/or 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 Condominium, the Property or any part thereof, including Common Elements and the Units, and/or the direction of any public officer pursuant to any such laws, and to the extent a Unit Owner and/or the Board, the Property or any part thereof, including any Unit or any part of the Common Elements, 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 such governmental authorities.

“License” refers to the Storage Bin License.

“Limited Common Elements” refer to those Common Elements serving some, but not all, of the Unit Owners, including the Residential Limited Common Elements and Non-Residential Common Elements.

“Lobby” refers to the portion of the Ground Floor of the Building, which is the entrance to the Residential Section.

“Managing Agent” refers to the managing agent or manager of the Condominium.

“Non-Residential Common Charges” refers to assessments payable by the Non-Residential Unit Owner for the purpose of meeting the Non-Residential Unit Owner’s pro rata share of General Common Expenses.

“Non-Residential Common Elements” refers to those Common Elements which serve or benefit exclusively the Non-Residential Unit and/or the Non-Residential Unit Owner.

“Non-Residential Common Expenses” refers to the costs and expenses incurred or projected in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Non-Residential Common Elements, if any.

“Non-Residential Section” refers to the Non-Residential Unit and Non-Residential Common Elements.

“Non-Residential Unit” refers to the non-residential Unit, and, to the extent the Non-Residential Unit is further divided, the Non-Residential Unit shall refer to all of the Units resulting from the subdivision of the Non-Residential Unit.

“Non-Residential Unit Owner(s)” refers to the owner or owners of the Non-Residential Unit.

“Offered Units” refers to the Residential Units being offered for sale by the Sponsor.

“Option Agreement” or “Agreement” refers to the agreement to purchase a Residential Unit pursuant to the Plan, the form of which is Exhibit 1 in Part II of the Plan.

“Option Payment” and “Payment” refers to the Initial Option Payment and the Additional Option Payment due to purchase a Unit.

“Original Scheduled Closing Date” refers to the date scheduled by the Sponsor for the Purchaser’s closing.

“Permitted Encumbrances” refer to those title encumbrances on a Unit subject to which a Purchaser agrees to take title, as more particularly itemized on Schedule A annexed to the form of Agreement set forth in Part II of the Plan.

“Permitted Mortgage” refers to (i) any mortgage permitted to be placed upon a Unit pursuant to the provisions of the By-Laws, for which notice has been provided to the Board (except that no notice shall be required to be provided by any Permitted Mortgagee of Declarant), and (ii) any pledge of direct or indirect ownership interests in the Sponsor/Declarant or the Non-Residential Unit Owner, as applicable, to secure mezzanine financing or preferred equity financing.

“Permitted Mortgagee” shall mean each holder of a Permitted Mortgage.

“Permitted Roof Platform Purposes” shall have the meaning ascribed thereto in Special Risk 53.

“Plan” or “Offering Plan” refers to this offering plan for the establishment of condominium ownership, as the same may be amended from time to time.

“Plans and Specifications” refers to the plans and specifications for the Building which (to the extent required by Law) are filed with, and approved by, the Department of Buildings of The City of New York, which plans and specifications may, from time to time, have been amended or changed, or may hereafter be amended or changed in accordance with the provisions of the Plan.

“Proceeding” shall have the meaning ascribed thereto in Special Risk 76.

“Property” refers to the Land, the Building and the appurtenances thereto.

“Purchase Price” means the purchase price for a Residential Unit and shall include the

purchase price of any Storage Bin License.

“Purchaser” refers to person(s) or entity(ies) named as Purchaser(s) in an Agreement which has been duly executed by such person(s) or entity(ies) and accepted by Sponsor.

“Regulatory Agreement” refers to the Agreement included in Exhibit 16 in Part II.

“Residential Committee” refers to the Residential Unit Owners serving on the Condominium Board.

“Residential Common Expenses” refers to capital repairs, additions, improvements, alterations and restorations to the Residential Section, which will be borne solely by the Residential Unit Owners.

“Residential Section” refers to the Residential Units, the Residential Common Elements and the Residential Limited Common Elements.

“Resident Manager” refers to the superintendent of the Buildings.

“Resident Manager’s Unit” or “RMU” refers the Residential Unit designated for the Resident Manager.

“Residential Common Elements” refer to those Common Elements which serve or benefit exclusively the Residential Units and/or the Residential Unit Owners.

“Residential Limited Common Elements” refer to those Common Elements which serve or benefit exclusively one or more but not all of the Residential Units and/or the Residential Unit Owners.

“Residential Unit” refers to any Unit designated as a Residential Unit in the Declaration, and all such Residential Units, are, collectively, referred to as the “Residential Units.”

“Residential Unit Owner” refers to any owner of a Residential Unit, and all such owners are, collectively, referred to as “Residential Unit Owners.”

“Residents” refer to the people residing in the Building regardless of whether they are Unit Owners, renters, or other occupants of the Units.

“Rules and Regulations” refer to the rules and regulations of the Condominium, as annexed as Schedule A to the By-Laws, which may be amended from time to time.

“Schedule A” refers to “Offering Prices and Related Information, Schedule A” set forth in Part I of the Plan.

“Schedule B” refers to the projected “Budget for First Year of Condominium Operation, Schedule B” set forth in Part I of the Plan.

“Selling Agent” refers to the Sponsor or any successor selling agent at the time in question.

“Sponsor” refers to PARAGON JV PROP III LLC, a Delaware limited liability company, and its successors and assigns.

“Sponsor and/or its designee(s)”, “Sponsor or a designee of Sponsor” or similar terms refers to Sponsor and any designee of Sponsor including a purchaser of Unsold Units.

“Sponsor’s Board Designees” refers to Sponsor’s designees on the Condominium Board.

“Sponsor Parties” shall have the meaning ascribed thereto in Special Risk 76.

“Storage Bin” refers to the storage bins located in the Cellar, which will be used for storage by Unit Owners who purchase Storage Bin Licenses.

“Storage Bin License” refers to the license contained in Exhibit 3 of the Plan.

“TCO” refers to a temporary certificate of occupancy.

“Terraces” refers to the terraces and balconies that are appurtenant to some of the Residential Units.

“Time Being of the Essence” or “Time of the Essence” shall mean that a failure by Purchaser to do what is required at the time specified in the Agreement is a material breach of the Agreement and an Event of Default entitling Sponsor to the remedies set forth in this Plan and the Agreement.

“Title Insurance Company” refers to Premier Title Agency LLC.

“Total Offering” refers to the total sales price of the Residential Units and Licenses described on the corner of the Plan.

“Unavoidable Delays” refer to delays due to strike, lockout, or other labor or industrial disturbance (whether or not on the part of employees or contractors of Sponsor), civil disturbance, future order of any government, court or regulatory body claiming jurisdiction, war, act of the public enemy, riot, sabotage, blockade, embargo, terrorist acts, shortage of or failure or inability to secure materials or labor by reason of priority or similar regulation or order of any government or regulatory body or lightning, earthquake, fire, storm, hurricane, flood, explosion, act of God or any cause similar to any of the causes hereinabove state; provided, however, that for purposes of this definition, lack of funds or inability to obtain financing shall not be deemed to be a cause similar to the causes stated above.

“Unit” or “Condominium Unit” refers to space designated as a Unit in the Declaration, consisting, generally, of either a specific residence or a portion of the space in the Building, together with an appurtenant proportionate undivided interest in the General Common Elements. All of such Units are collectively referred to as “Units.”

“Unit Deed” refers to the form of unit deed set for as Exhibit 7 in Part II of the Plan.

“Unit Owner” refers to the owner of any Residential Unit or Non-Residential Unit, and all of such Residential Unit Owners and Non-Residential Unit Owner are collectively referred to as the “Unit Owners.”

“Unsold Unit” refers to (a) any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee, or a Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor, or one or more of their principals, is a member or (b) any Unit for which there is a signed Agreement but for which Closing has not yet occurred.

“Waiver Period” is defined in Special Risk 22.

“Waiver Period Operating Expenses” is defined in Special Risk 22.

“Zoning Resolution” shall mean the Zoning Resolution of the City of New York.

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

D. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

1. Construction of the Building

The Building contains a Residential Section consisting of the Residential Units, the Residential Common Elements and Residential Limited Common Elements and a Non-Residential Section, consisting of the Non-Residential Unit and the Non-Residential Common Elements.

The Building, including the individual Units therein, is a new construction project which will be completed substantially in accordance with the Plan and Specifications and all applicable zoning and building Laws, regulations, codes and other government requirements. No Asbestos containing material will be present in insulating or fire-proofing material contained in the Building. Following completion of the Building, the FCO for the Units and the Building will be issued by the Department of Buildings of the City of New York and copies of the Plans and Specifications for the Building will be filed with the Department of Buildings of the City of New York.

Under the present construction schedule it is anticipated that, except for finishing work to stairways, hallways, and other areas of the Building which are not intended for the exclusive use of any particular Unit Owner, and work, if any, which Sponsor performs in individual Units, certain Units will be substantially completed by the Completion Date, which is anticipated to be on or about January 1, 2023, and a first TCO with respect to portions of the Building will be obtained on or about the Completion Date both subject to Unavoidable Delays. Sponsor does not, however, warrant or guarantee the foregoing completion or occupancy dates for the Building. The first TCO may be issued for some but not all of the Units and Sponsor may complete construction of certain Units before others.

Sponsor has engaged Stephen B. Jacobs Group PC ("Sponsor's Architect") as architects for the Building, WSP USA as MEP engineer and the structural engineer for the Building.

Sponsor reserves the right to amend or modify the Plans and Specifications in any way not material to this offering or in a manner disclosed in this offering, including, without limitation, changing materials, appliances, equipment, fixtures and other construction and design details set forth therein or in the "Description of Property" set forth in Part II of the Plan and to substitute in their place similar materials, appliances, equipment and/or fixtures of substantially equal or better quality, provided that i) any necessary approval of any governmental authority having jurisdiction thereof is timely obtained. Any or all of the foregoing shall give rise to no right of rescission on the part of any Purchaser and may be made without prior notice or amendment to the Plan. Unless all Purchasers and affected Unit Owners consent in writing, Sponsor shall make no material changes to 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.

The location in the Building, and the size, layout and approximate square footages

of the Units are shown on the Floor Plans duplicated in Exhibit 9 of Part II of the Plan. Such Floor Plans are subject to the rights of Sponsor or its designee to combine two or more Unsold Units, to add additional Units by subdividing Unsold Units or to change the number of rooms in, as well as the size, layout and square foot area of, any Unsold Units, as further described in Part I, the Section entitled "Changes in Prices and Units" hereof. Any Floor Plan or sketch shown to a Purchaser, including those set forth in this Plan are only an approximation within reasonable tolerances of the dimensions and layout of each Unit. Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for his or her Unit or otherwise be relieved of any obligations under the Agreement, by virtue of a non-material inaccuracy or error in the Floor Plans. Square footage calculations are only approximations within reasonable tolerances for the purposes of marketing the Units and may not be exact. Such square footage calculations shall not be relied upon for loan, valuation or other purposes. If exact square footage is a concern for a Purchaser, the Purchaser should have the Unit in question independently measured. Purchasers waive and disclaim any rights to rescind their Agreement and any and all other claims against Sponsor resulting from alleged non-material discrepancies in square footage calculations.

The Building incorporates mechanical equipment necessary for the maintenance and operation of the Building and the Units. The Condominium Board, with respect to such mechanical equipment which is a Common Element will be responsible for making sure the mechanical equipment is operated in accordance with Legal Requirements, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for, nor can Sponsor make any guarantees regarding the level of noise or odors resulting from the operation of the Building or the Units.

2. Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there will be a total of 131 Residential Units situated on Floors 2-12 and 14-22 and Penthouse of the Building. Detailed descriptions of the Residential Units including a finish schedule are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A for further details.

Except as otherwise agreed by the parties, the Residential Units will be delivered to Purchasers with a primer plus at least one finish coat of paint. Each Purchaser will be obligated to do all other painting and decorating of his or her Residential Unit at his or her own cost and expense.

Included in the sale of each Residential Unit are the following: refrigerator/freezer, kitchen cabinets, gas range, automatic dishwasher, garbage disposal, washing machine and dryer and a centrally controlled heating and cooling system. The manufacturer, model number and specifications for the foregoing appliances and equipment are set forth in the "Description of Property." As more fully set forth under the Section entitled "Description of Property and Improvements – Construction of the Building," these fixtures, appliances and equipment are subject to change by Sponsor. Sponsor may negotiate to make modifications or changes in any

Residential Unit or to do Custom Work therein to provide different or additional appliances, equipment furnishings or decorations, provided that Sponsor shall not be bound to do so unless agreed to by Sponsor in a written instrument which is incorporated as an addendum to the Agreement.

A Residential Unit Owner may only use his or her Residential Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local Codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Residential Unit Owner use his Residential Unit for a use violative of the By-Laws or the deed restrictions which are described in this Plan. Residential Units cannot be leased for terms shorter than one year.

There will be no modifications or extras for any Residential Unit unless set forth in the Agreement for such Residential Unit. Moreover, Sponsor shall not be obligated to correct and shall have no liability or responsibility to any Purchaser for, and no Purchaser shall be entitled to any reduction in or credit against the Purchase Price of his or her Residential Unit or be otherwise relieved from performing his or her obligations under the Agreement as a result of minor or non-material inaccuracy or error in the floor plans for such Residential Unit as set forth in Part II of the Plan.

In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser of the Residential Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the Purchase Price for such Residential Unit.

3. **Non-Residential Unit**

The Non-Residential Unit currently consists of three (3) retail spaces which occupy a portion of the First Floor and which spaces may be subject to change. The Non-Residential Unit will include space that may be utilized for any lawful purpose. The Non-Residential Unit will not have the right to use such Unit for any of the prohibited uses set forth in the By-Laws and a non-Sponsor controlled Board does not have the right to amend the By-Laws to permit any of the prohibited uses.

The Board will have no right to restrict or limit the method of operation or any uses or appearance of the Non-Residential Unit, which are permitted by Law and/or applicable zoning ordinances, except as otherwise provided in the By-Laws. No rules affecting the operation of the Non-Residential Unit may be adopted or modified by the Board without the prior written consent of the affected Non-Residential Unit Owner. All or any part of the Non-Residential Unit may be leased or subleased by the Non-Residential Unit Owner, as more fully set forth in the Declaration. Subject to compliance with all applicable Laws and governmental rules and regulations, if any, the Non-Residential Unit may be sold without prior notice. (See the Section entitled "Changes in Prices and Units"). The Residential Unit Owners will have no interest in the rents, profits or

revenues from the rental or use of any space in the Non-Residential Unit.

Sponsor and the Non-Residential Unit Owner have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by Law. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of General Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as allocations are reasonable under the circumstances and are in accordance with applicable provisions of the Law.

No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Non-Residential Unit or as to who the tenants or occupants of any portion of the Non-Residential Unit may be at any time. No representation is made as to the uses to which any portion of the Non-Residential Unit may be put at any time (except that the Non-Residential Unit may be used for any lawful purpose or as otherwise limited by the Plan). The use of the Non-Residential Unit may generate noise or other disturbances over which the Residential Unit Owners will have no control.

The Non-Residential Unit may be divided by the Non-Residential Unit Owner. Any such sale or division by the Non-Residential Unit Owner shall be fully disclosed in a duly filed amendment to the Plan. (See the Section entitled “Changes in Prices and Units”). The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any space in the Non-Residential Unit.

In the event that Sponsor decides to sell the Non-Residential Unit, Sponsor will seek a “no-action” letter from the Office of the Attorney General. Any sale of the Non-Residential Unit will be disclosed in a duly filed amendment.

4. General Common Elements

Generally, the General Common Elements consist of all Common Elements other than the Residential Common Elements, Residential Limited Common Elements and Non-Residential Common Elements and include, among other things, the following: (a) the Land; (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings (except to the extent included as the Residential Common Elements, or Residential Limited Common Elements), beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building, (c) corridors and all fire staircases, landings and stairs which are not Residential Common Elements, or Residential Limited Common Elements or part of any Unit; (d) meter rooms, electrical rooms, gas meter room, pump room, domestic hot water room, and janitorial toilet and sink which are not Residential Common Elements, or Residential Limited Common Elements or part of any Unit; (e) general illumination fixtures and security systems; (f) all passages, hallways, stairs, corridors, mechanical and other rooms, areas and spaces located in the Building serving both the Residential Section and Non-Residential Section, which are not Residential Common Elements, Residential Limited Common Elements, Non-Residential Common Elements or part of any Unit; (g) the emergency generator room and a storage room which are not Residential Common Elements, or Residential Limited Common Elements or part of any Unit; and (h) all other parts of the Building and the apparatus, installations, systems,

equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of both the Non-Residential Section and the Residential Section. A detailed description of the General Common Elements is set forth in the Declaration.

5. **Residential Common Elements**

Generally, the Residential Common Elements include, among other things, the following: (a) Residential elevators (including their shafts, pits, machinery and appurtenant facilities); (b) the exterior glass surfaces of all Residential Section windows; (c) the Residential entrance and Lobby, vestibule, package room, toilette, elevator lobby, security system, concierge station, service vestibule and service corridor and the mailroom on the Lobby floor of the Building; (d) the residential amenities; (e) passages, hallways, stairs and corridors to the extent any of the same are for the exclusive use of the Residential Section; (f) electric panels, closets, feeders and risers serving the Residential Section; (g) the service vestibule and trash chutes servicing each of the Floors; (h) all mechanical space and other rooms, areas and spaces located in the Building serving exclusively the Residential Units, the Residential Common Elements and the Residential Limited Common Elements and which are not General Common Elements, Non-Residential Common Elements, or part of any Unit; and (i) all other apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, wires, ducts, vents, cables, conduits and lines) which serve or benefit exclusively the Residential Units.

6. **Residential Limited Common Elements**

The Residential Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Residential Unit Owners such as the Terraces. Terraces and balconies (collectively, “Terraces”) are appurtenant to certain Units, as identified in Schedule A and in the Floor Plans set forth in Part II of the Plan, and are Residential Limited Common Elements available for the exclusive use of a Unit Owner of the Unit to which such Terrace is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations in effect from time to time. All normal maintenance and cleaning of any Terrace shall be made by the Unit Owner having access to such Terrace at the Unit Owner’s own cost and expense, and any structural or extraordinary repairs or replacements to such Terrace shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense. Unless damage is caused by the Unit Owner, the slab beneath the Terrace shall be the Board’s responsibility and the surface of the Terrace above the slab shall be the Unit Owner’s responsibility. Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Unit Owners with respect to, the level of noise or vibrations or odors resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners on their Terraces. Moreover, Terraces must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. In the event a Unit Owner fails to comply with any of its maintenance obligations, the Board may, at the expense of the Unit Owner and without liability to the Board, enter the Unit and perform such acts as are necessary to cure the Unit Owner’s default.

7. **Non-Residential Common Elements**

The Non-Residential Common Elements are generally those Common Elements which serve or benefit exclusively the Non-Residential Unit, and the Non-Residential Unit Owner, and include but are not limited to those rooms, areas, corridors, spaces and other parts of the Building and all facilities therein for the Non-Residential Unit, the Non-Residential Unit Owner, or which are necessary or convenient for the existence, maintenance, operation or safety of the Non-Residential Unit.

8. **Services and Facilities**

Generally, all services normally associated with the operation and maintenance of a luxury residential condominium will be provided to Residential Unit Owners at no cost other than Common Charges; these services and facilities are described below. There will be a variety of other services offered which will be available to Residential Unit Owners at their option. Notwithstanding the foregoing, however, the Board shall at all times maintain, operate and staff the Building in compliance with, and subject to, all applicable Legal Requirements.

a. **Entrance**

The Residential Section will have entrances on West 96th Street and the Non-Residential Unit will have entrances on Broadway.

b. **Doorman and Concierge**

A concierge will be on duty at the Lobby of the Residential Section twenty-four (24) hours a day, seven (7) days a week.

c. **Elevator Service**

Three (3) automatic passenger elevators will be in service, twenty-four (24) hours a day, seven (7) days a week, for the exclusive use of Residential Unit Owners residing in the Building.

d. **Cable Television Service**

A cable television system will be available for the use of the Residential Unit Owners. The charges for primary connections and subsequent monthly fees related to the service will be determined by, and payable by the Unit Owner directly to the cable company. At the present time the two primary cable television providers are Charter Communications Holding Company (d/b/a "Spectrum") and Verizon Communications (the "Cable Companies"). Additional cable service (i.e., Home Box Office or Showtime) will also be available from the Cable Companies providing the service for an additional charge on the same basis. A cable outlet will be located in each living room and bedroom. Sponsor makes no representation that cable television service will be available to any Residential Unit Owner upon its initial occupancy of a Residential Unit. Sponsor will enter into agreements with the Cable Companies the right to install wires, cables and other components of their systems (the "Cable Facilities") in the Building's internal

conduit system and granting the Cable Companies easements for the installation, repair or replacement of the Cable Facilities and certain rights to relocate the Cable Facilities which shall remain the property of the Cable Companies (the "Cable Agreement"). The Condominium will own and maintain the internal conduit system in which the Cable Facilities are located. The Condominium will be subject to and bound by the terms of the agreements with the Cable Companies.

e. Electrical Systems Telephone Service and Internet Access

Electrical service will be submetered and separately billed to each Unit Owner by Con Ed. Local and long distance telephone, internet and cable service will be provided by Verizon or other telephone service provider and separately billed to each Unit Owner. Each Residential Unit will be prewired for data and telephone service. All charges for hi-speed internet service (including activation, installation and subscription charges) will be paid by each Unit Owner who subscribes directly to the hi-speed internet service provider.

f. Mail & Packages

All incoming mail for the Residential Units will be delivered by the United States Postal Service, who will place it in mailboxes on the Lobby Floor. Doormen will be available to accept packages on behalf of Residential Unit Owners and there will also be cold storage for limited food deliveries or other items requiring refrigeration.

g. Laundry

Each Residential Unit will contain a washer and dryer. There will also be a separate laundry room located in the Cellar of the Building.

h. Refuse Disposal

There will be one (1) refuse chutes on each floor serving the Residential Units leading directly to the Compactor Room on the Cellar.

i. Bicycle Storage

Bicycle Storage will be provided on the Lobby Floor of the Building. Bicycle parking will be on a first-come, first-served basis.

9. **Amenities.**

The amenities in the Building are the following:

Swimming pool, steam room, sauna, spa pool, men's and women's locker rooms, fitness center, private training room, squash court with a retractable basketball hoop, laundry, pilates studio, dog cleaning room, rest room located in the Subcellar.

Teen room, dining room, terrace, kids room, music room located on the Lobby

Level.

BBQ, Dining Table, Seating Areas and Outdoor Projectors on the Roof.

10. **Storage Bins.**

Sponsor hereby offers Purchasers the opportunity to purchase the rights to one of the 28 Storage Bins pursuant to a license agreement (each such license being a “Storage Bin License,” and each such license agreement being a “Storage Bin License Agreement.”) The form of the Storage Bin License Agreement to be used for licensing the use of such Storage Bins to individual Unit Owners is included in Part II of this Plan as Exhibit 3. The Storage Bins are approximately 9 to 35 square feet, average size 20 square feet. The area in which the Storage Bins are located is not climate controlled.

The price for each Storage Bin License is listed on Schedule A in Part I of the Plan. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Holders of Storage Bin Licenses, excluding Sponsor with respect to unsold Storage Bin Licenses, will be required to pay a license fee to the Condominium in an amount equal to \$1.50 per square foot per month of such Storage Bin, which amount shall, following the First Closing, be subject to biannual increases based upon the CPI Increase Factor in effect on the date of the First Closing. Further, the license fee is subject to change from time to time as the Board deems necessary in its discretion.

Sponsor reserves the right to offer as many Storage Bin Licenses as it determines in its sole discretion. Sponsor shall offer the Storage Bin Licenses to Purchasers of Residential Units on a first-come, first-served basis until such time as all of the Storage Bin Licenses have been purchased. Sponsor reserves the right to limit the number of Storage Bin Licenses sold to any one Purchaser or to make bulk sales, as it determines in its sole discretion. Storage Bin Licenses will only be sold by Sponsor to Purchasers of Residential Units. Prospective Purchasers will be required to deliver a deposit in the amount of fifteen percentage (15%) of the Purchase Price of the Storage Bin License upon execution of an Agreement as set forth in the Storage Bin License rider to the form of Agreement included in Part II of this Plan.

At or prior to delivery of the Storage Bin License to a Purchaser, Sponsor hereby reserves the right, with or without prior notice to such Purchaser, to substitute the Storage Bin designated in such Purchaser’s Agreement (the “Original Storage Bin”) or in the Storage Bin rider therefor for an alternate Storage Bin (the “Substituted Storage Bin”), provided that such Substituted Storage Bin is equally sized or larger than the Original Storage Bin and provided further that any monthly license fees payable by such Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor’s rights to designate a Substituted Storage Bin shall not result in an increased deposit or Purchase Price due for such Storage Bin License under the Agreement and shall not afford a Purchaser any abatement in Purchase Price or excuse

a Purchaser from its obligations under its Agreement.

Storage Bin Licenses may only be purchased by Purchasers or Owners of Residential Units and may only thereafter be licensed to Owners of Residential Units, except with respect to Sponsor or any holder of Unsold Residential Units. Upon the issuance of a Storage Bin License to a Residential Unit Owner or the transfer of a Storage Bin License to an assignee, such Residential Unit Owner or assignee, as the case may be, shall provide the Managing Agent with a copy of the Storage Bin License Agreement.

Purchasers will not be required to consummate their purchase of use rights with respect to a license simultaneously with their Unit(s)' closing unless a TCO has also been issued for the areas of the Building designated for the Storage Bins. In the event the Storage Bin is not available for conveyance to a Purchaser at the closing of such Purchaser's Residential Unit, all monies paid for the Storage Bin License must be held in escrow by Escrow Agent and may only be released to Sponsor in connection with the conveyance of the Storage Bin to Purchaser.

11. Resident Manager's Unit

On the earlier of three (3) years after the First Closing or 30 days after all of the Residential Units are sold, Sponsor will sell one Unit, presently intended to be Unit 4G, to the Condominium, which will own such Unit on behalf of all Unit Owners and will use the same for the residence of the Resident Manager ("Resident Manager's Unit"). The Purchase Price for the Resident Manager's Unit, which is currently anticipated to be Unit 4G, will be \$2,315,000, which is \$1,893 per square foot for 1,223 square feet. Sponsor reserves the right, in its sole discretion, to choose a different Unit other than Unit 4G to sell to the Condominium Board as the Resident Manager's Unit. If the Sponsor sells a Unit other than Unit 4G as the Resident Manager's Unit, in no event will the Purchase Price be greater than \$1,893 per square foot.

Sponsor retains the option of purchasing an apartment in the building within one block of the Condominium containing approximately the same square footage as Unit 4G and a price per square foot of not more than \$1,893 per square foot (the "Alternate RMU"), in which event the RMU will be in a different building and each Purchaser's share of the cost will be based on the other building, provided, however the amount paid by each Purchaser shall not exceed the amount shown on Schedule A.

In respect of such Resident Manager's Unit, at the closing of title to each Unit, the Purchaser thereof, as a closing cost, will be required to pay on behalf of the Condominium Board such Purchaser's share of the cost of the Resident Manager's Unit determined in accordance with the Common Interest the Unit purchased in proportion to the Common Interest appurtenant to all Residential Units (other than the Resident Manager's Unit) and in the amount more particularly set forth on Schedule A, "Purchase Prices and Related Information" in Part I of the Plan. See "Notes to Schedule A" for more information. Simultaneously with the First Closing, Sponsor will place the deed for the Resident Manager's Unit in escrow with Sponsor's counsel.

ALTHOUGH THE CLOSING OF TITLE TO THE RESIDENT MANAGER'S UNIT MAY NOT OCCUR UNTIL AFTER A PURCHASER HAS CLOSED ON HIS OR HER

UNIT, EACH PURCHASER OF A UNIT WILL PAY A PROPORTIONATE SHARE OF THE COST TO PURCHASE THE RESIDENT MANAGER'S UNIT AT SUCH PURCHASER'S CLOSING.

The taxing authorities are likely to require that each Purchaser's allocable portion of the cost of the Resident Manager's Unit be included in the total consideration deemed to have been paid by such Purchaser to Sponsor; and, at Closing, Purchaser will pay the incremental additional transfer taxes attributable to such additional consideration.

Sponsor reserves the right, at any time following the First Closing, to convey the Resident Manager's Unit to the Condominium Board. In the event Sponsor conveys the Resident Manager's Unit to the Condominium Board before the full Purchase Price therefor has been paid, the portion of the Purchase Price not collected as of such time will be payable by a promissory note from the Condominium Board to Sponsor (the "RMU Note"). The RMU Note will be non-interest bearing. The principal balance of the RMU Note will be reduced each time Sponsor conveys a Unit and collects from the Purchaser of such Unit, such Purchaser's proportionate share of the cost to purchase the Resident Manager's Unit. The term of the RMU Note will expire when the full balance due under the RMU Note has been paid to Sponsor.

The Condominium Board shall pay all expenses of the Resident Manager's Unit from and after the First Closing regardless of when the closing of title to such Resident Manager's Unit occurs as aforesaid.

There is also no guarantee that the Resident Manager will be residing at the Property at the time of closing of any particular Unit although all legal requirements with respect thereto will be complied with. All costs and expenses of the Resident Manager's Unit and repairs thereto, as well as all utilities serving same, shall be expenses of the Condominium Board at all times. In addition, until such time as title to the Resident Manager's Unit has been conveyed to the Condominium Board, Sponsor may charge the Condominium Board a reasonable rental in respect of the Condominium's use thereof.

Prior to the sale of the RMU to the Condominium, Sponsor will lease the Resident Manager's Unit to the Board for use as the Resident Manager's residence. The rent for the Resident Manager's Unit shall consist of the Common Charges and real estate taxes payable for the Resident Manager's Unit. Sponsor does not share in any of the acquisition costs for the Resident Manager's Unit, even though the Resident Manager will service the Unsold Units. The Condominium will not be responsible for the expenses of the Resident Manager's Unit if the Resident Manager is not residing therein.

12. General Provisions Concerning Services and Facilities.

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

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

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

Although Sponsor anticipates that many of the services described above will be available at the time of the First Closing, prospective Purchasers should note that that all services and amenities described in the Plan will be available within 24 months of the First Closing. However, it is anticipated that at all times after the First Closing, the Residential Section Lobby will be attended 24 hours per day, seven days per week, and there will be at least one elevator servicing every floor on which there are occupied Residential Units. The interim level staffing will at all times during this period be commensurate with the levels of occupancy from time to time and adequate to properly maintain the Building. Purchasers are also advised that during such period and beyond, various systems, including, but not limited to, water supply, air conditioning, heating, cooling, ventilating and elevators, may be disrupted temporarily and from time to time. If there are any material changes regarding services and facilities, Purchasers will be offered a right of rescission.

Purchasers are further advised to note that construction in general is a complicated process which requires the coordination of numerous concurrent tasks, contractors, and suppliers and the balancing of complex mechanical and architectural systems, all of which is subject to unanticipated delays and difficulties and necessarily involves noise, disruption, construction dust, debris and inconvenience. Thus, for a period of time following the First Closing through, including and beyond the closing of title to any particular purchaser's Residential Unit, work should be expected to be undertaken and continue by or on behalf of: (i) Sponsor to complete the balance of the Building; (ii) individual Residential Unit Owners within their Units (to perform custom renovations, etc.); and (iii) the Non-Residential Unit Owner to complete equipping its Unit. During at least the first year of operation, construction workers and related personnel of Sponsor and others will be at the Property from time to time performing construction work, making adjustments and performing various other tasks related to the completion of renovation, fitting out of, and moving into, the Units and other portions of the Building which may compromise the security of the Building from time to time. Elevators and personnel may be taken out of service

and diverted to facilitate renovation and exterior hoists may be in place during at least the year following the First Closing and from time to time thereafter, as needed, in connection with construction being performed in Units by the Unit Owners thereof. Sponsor may not fully complete the decoration or finishing of the Lobby, corridors, elevator finishes and other portions of the Building, including, but not limited to, installing light fixtures, painting, hanging wall coverings or laying carpeting, until that particular floor is fully occupied by Unit Owners or, if additional construction within a Unit is anticipated, for some period thereafter. All of the foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Certain portions of the Common Elements may be completed before or after completion of any particular Purchaser's Unit. As a result, certain amenities and benefits anticipated to be available to Unit Owners may not be available until such other portions of the Building are completed and fully operational. Further, the Board and/or Sponsor may impose conditions and deadlines upon the planning, performing and completion of such work. No assurance can be given with regard to the accuracy of any projected schedules or completion dates set forth herein or with respect to the duration of any interim service periods or periods of potential disruption of the Unit Owners and their tenants or occupants, all such dates and timetables, to the extent provided, being only good faith estimates.

13. **Security Procedures**

The Board is vested with the responsibility of devising and carrying out security procedures with respect to the Residential Section. Such procedures may be adopted and from time to time changed by the Board as such Board, in its discretion, determines to be appropriate to secure the Building.

No representation or warranty is made and no assurance is given that the security systems and procedures of the Residential Section and of the Condominium will prevent personal injury or damage to or loss of personal property. While Unsold Residential Units are being offered for sale or lease by Sponsor or its designees there will be a greater number of visitors to the Residential Section 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 its designee nor the Managing Agent shall be liable or responsible for any personal injury or for any loss or damage to personal property which may result from the failure of the Condominium's security systems and procedures, including, without limitation, those procedures with regard to any delivery of packages, provided that any such failure is not caused by the negligence of Sponsor or its designees, the Managing Agent or their respective agents. Please refer to the Description of Property set forth in its entirety in Part II of the Plan for further details regarding security procedures.

E. LOCATION AND AREA INFORMATION

1. Location and Services

The Condominium is located in the Upper West Side neighborhood in the City of New York, on Broadway and 96th Street. New York City is one of the largest cities in the United States, as well as one of the principal urban centers of the world. Manhattan is the center of New York City, containing numerous business and financial centers, excellent regional transportation, cultural activities, recreational and open-space park areas, educational facilities, superb medical centers and a vast array of restaurants. New York is the nation's principal financial center. It is the home of the New York Stock Exchange. About 50 of the country's "Fortune 500" corporations have their principal corporate headquarters in Manhattan; almost a quarter of the nation's major law firms, and the "big four" accounting firms maintain offices in Manhattan. Manhattan is also recognized as the national center of the advertising, communications, broadcasting, publishing and garment industries.

2. Surrounding Area

The Building is located in the Upper West Side neighborhood of New York City. The area includes residential apartments, schools, commercial offices, shopping and restaurants.

3. Shopping, Commercial and Recreational Facilities

The Condominium is located on the Upper West Side of Manhattan. There are luxury residences, art galleries, hotels, schools, nightlife, churches and retail establishments all within close proximity to the Condominium. There is a wide variety of commercial establishments located near the premises including pharmacies, groceries, banks, restaurants and other stores. Numerous attractions are located within easy access to the Condominium. Among them are the Beacon Theater, the American Museum of Natural History, Lincoln Center and Central Park. The Condominium is also near many fine dining restaurants, active nightlife, and high end shopping.

4. Schools

Numerous private schools, public schools and parochial schools are easily accessible from the Condominium. The public schools in the area include: PS 75 Emily Dickinson, located at 735 West End Avenue; Ps 163 Alfred E Smith, located at 163 West 97th Street; MS 258 Community Action School, located at 154 West 93rd Street; and MS 250 West Side Collab., located at 735 West End Avenue. Private schools in the area include: The School at Columbia University, located at 556 West 110th Street; The IDEAL School of Manhattan, located at 314 West 91st Street; The Columbia Grammar & Preparatory School, located at 5 West 93rd Street; and the BASIS Independent School, located at 795 Columbus Avenue.

SPONSOR MAKES NO REPRESENTATION AS TO WHICH PUBLIC SCHOOL OR PRIVATE SCHOOL THE CHILDREN WHO LIVE IN THE BUILDING WILL ATTEND.

Excellent educational facilities are within close proximity to the Condominium.

The educational facilities within close proximity to the Condominium include Columbia University, New York University, Baruch College - City College of New York, The New School University, and Fordham University and are diverse enough to satisfy every age group, including individuals interested in post-graduate classes.

5. **Transportation**

New York City is served by three major airports - LaGuardia Airport, Kennedy International Airport and Newark International Airport. Passenger railroad service is provided from Pennsylvania Station, located at Seventh Avenue and West 33rd Street; Harlem-125th Street Station, located at Park Avenue and 125th Street; and Grand Central Station, located at Lexington Avenue and 42nd Street. Transportation to and from the Building, and through New York City is available by taxi, limousine, and private automobile. Public transportation via subways and buses is also readily available. Subway lines 1, 2 and 3 are located at Broadway and 96th Street, and subway lines B and C are available at Central Park West and 96th Street. The PATH train is accessible at 33rd Street and Sixth Avenue. In addition, the area is serviced by several bus lines including the M96, M106, M104, M7 and M11.

6. **Police, Fire, Water, Postal Service, Sanitation, Snow Removal and Road Maintenance**

These services are provided by The City of New York and all charges (except water) are financed through real estate taxes paid by Unit Owners to The City of New York. The Premises is located in the 24th Precinct with the nearest Police station located at 151 West 100th Street. The closest fire house is Battalion 11 Engine 76 Ladder 22, with the station located at 145 West 100th Street. Water charges for the Units will be metered and paid by Unit Owners as a Common Expense of the Condominium. The zip code for the Building will be 10025 which, as of the date hereof, the closest post office is the Park West Finance office, located at 700 Columbus Avenue.

7. **Medical Facilities**

The area is served by numerous hospitals and medical facilities located within an approximate two-mile radius of the Condominium including: The St. Luke's Roosevelt Hospital Center, located at 1111 Amsterdam Avenue; The Mount Sinai Hospital, located at 1190 Fifth Avenue; The Lenox Hill Hospital, located at 100 East 77th Street; and the Metropolitan Hospital Center, located at 1901 First Avenue. The Condominium is also within easy access to some additional medical facilities in the New York area, including the Memorial Sloan Kettering Cancer Center and New York- Presbyterian University Hospital.

8. **Religious Facilities**

Local houses of worship include, but are not limited to, the following: Upper West Manhattan Church of Christ, located at 891 Amsterdam Avenue; West End Presbyterian Church, located at 165 West 105th Street; Trinity Lutheran Church of Manhattan, located at 164 West 100th Street; the Islamic Cultural Center Riverside Drive, located at 1 Riverside Drive; Ansche

Chesed located at 251 West 100th Street; and Congregation Ramath Orah, located at 550 West 110th Street.

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

9. **Zoning and Use**

The Property is situated on Block 1243 in Manhattan. It is located in a R-10A zoning district and C4-6A zoning district. Buildings in R-10A districts have Quality Housing requirements. The floor area ratio (FAR) for R10 districts is 10.0, however residential and mixed use buildings may receive higher maximum FAR and heights for buildings that participate in certain housing programs or provide certain facilities for seniors. Off-street parking is generally required for 40% of the dwelling units of a building, but certain areas are further modified and have lower requirements. Some off-street parking requirements may also be waived. C4 districts are mapped in commercial centers, and C4-6A districts are mapped on most of Broadway on the Upper West Side, typically comprised of large apartment buildings with street level stores. See Chapter 2 of the NYC Zoning Resolution for more information about uses in R-10 and C4-6A districts, available at:

<https://zr.planning.nyc.gov/sites/default/files/article/Zoning%20Resolution%20Complete.pdf>

10. **Future Developments**

Neither Sponsor nor the principal of Sponsor own, in whole or part, or have an option or right to acquire, in whole or part, any adjacent areas which are not fully developed. As of the date hereof, neither Sponsor or its principal are involved in development projects that have been approved by the Department of Buildings or authority having jurisdiction that will be adjacent to or directly across the street from the property. In the event that Sponsor or its principal do become involved in any such development projects, Sponsor shall disclose such changes in an amendment to the Plan within 30 days after the information is known.

Sponsor understands that a new rental building is being considered by another developer on 96th Street on the West Side of the Condominium.

F. OFFERING PRICES AND RELATED INFORMATION, SCHEDULE A

SCHEDULE A - OFFERING PRICES AND RELATED INFORMATION

250 WEST 96TH STREET CONDOMINIUM

250 West 96th Street

January 1, 2023 through December 31, 2023

(1) UNIT NUMBER	(1) NUMBER OF BEDROOMS	(1) NUMBER OF BATHROOMS	(1) NUMBER OF HALF BATHROOMS	(3) OFFERING PRICE	(2) APPROX. SQUARE FOOTAGE OF UNIT	(2) APPROX. OUTDOOR SQUARE FOOTAGE	(2) TERRACE/ BALCONY	(8) SHARE OF RESIDENT MANAGERS UNIT	(4) PERCENTAGE OF COMMON INTEREST	(4) PERCENTAGE OF RESIDENTIAL COMMON INTEREST	(4) PROJECTED ANNUAL COMMON CHARGES	(4) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL REAL ESTATE TAXES	(5) PROJECTED MONTHLY REAL ESTATE TAXES	(6) PROJECTED TOTAL ANNUAL CARRYING CHARGES	(6) PROJECTED TOTAL MONTHLY CARRYING CHARGES
2A	5			\$ 4,650,000.00	2,433.00	153	T	\$ 26,783.60	1.1034%	1.1460%	\$ 41,683.77	\$ 3,473.65	\$ 42,501.24	\$ 3,541.77	\$ 84,185.01	\$ 7,015.42
2B	1	1	1	\$ 1,300,000.00	734.00			\$ 7,955.15	0.3277%	0.3404%	\$ 12,380.73	\$ 1,031.73	\$ 12,623.54	\$ 1,051.96	\$ 25,004.27	\$ 2,083.69
2C	2	2	1	\$ 2,600,000.00	1,485.00			\$ 16,094.55	0.6631%	0.6887%	\$ 25,048.21	\$ 2,087.35	\$ 25,539.44	\$ 2,128.29	\$ 50,587.65	\$ 4,215.64
2D	3	3	1	\$ 3,550,000.00	1,931.00			\$ 20,928.33	0.8622%	0.8955%	\$ 32,571.11	\$ 2,714.26	\$ 33,209.87	\$ 2,767.49	\$ 65,780.98	\$ 5,481.75
2E**	1	1	1		812.00			N/A	0.3625%	0.3766%	\$ 13,696.40	\$ 1,141.37	\$ 13,965.00	\$ 1,163.75	\$ 27,661.40	\$ 2,305.12
2F	1	2		\$ 1,750,000.00	991.00			\$ 10,740.54	0.4425%	0.4596%	\$ 16,715.68	\$ 1,392.97	\$ 17,043.49	\$ 1,420.29	\$ 33,759.17	\$ 2,813.26
2G	2	2	1	\$ 2,795,000.00	1,308.00	355	T	\$ 15,138.09	0.6237%	0.6477%	\$ 23,559.66	\$ 1,963.30	\$ 24,021.69	\$ 2,001.81	\$ 47,581.35	\$ 3,965.11
3A	5	5	1	\$ 4,800,000.00	2,436.00			\$ 26,401.56	1.0877%	1.1297%	\$ 41,089.19	\$ 3,424.10	\$ 41,895.00	\$ 3,491.25	\$ 82,984.19	\$ 6,915.35
3B	1	1	1	\$ 1,385,000.00	734.00			\$ 7,955.15	0.3277%	0.3404%	\$ 12,380.73	\$ 1,031.73	\$ 12,623.54	\$ 1,051.96	\$ 25,004.27	\$ 2,083.69
3C	2	2	1	\$ 2,775,000.00	1,485.00			\$ 16,094.55	0.6631%	0.6887%	\$ 25,048.21	\$ 2,087.35	\$ 25,539.44	\$ 2,128.29	\$ 50,587.65	\$ 4,215.64
3D	3	3	1	\$ 3,725,000.00	1,931.00			\$ 20,928.33	0.8622%	0.8955%	\$ 32,571.11	\$ 2,714.26	\$ 33,209.87	\$ 2,767.49	\$ 65,780.98	\$ 5,481.75
3E	1	1	1	\$ 1,495,000.00	812.00			\$ 8,800.52	0.3626%	0.3766%	\$ 13,696.40	\$ 1,141.37	\$ 13,965.00	\$ 1,163.75	\$ 27,661.40	\$ 2,305.12
3F	1	2		\$ 1,850,000.00	991.00			\$ 10,740.54	0.4425%	0.4596%	\$ 16,715.68	\$ 1,392.97	\$ 17,043.49	\$ 1,420.29	\$ 33,759.17	\$ 2,813.26
3G	2	2	1	\$ 2,550,000.00	1,212.00	100	T	\$ 13,406.70	0.5523%	0.5737%	\$ 20,865.08	\$ 1,738.76	\$ 21,274.27	\$ 1,772.86	\$ 42,139.35	\$ 3,511.61
4A	5	5	1	\$ 4,875,000.00	2,436.00			\$ 26,401.56	1.0877%	1.1297%	\$ 41,089.19	\$ 3,424.10	\$ 41,895.00	\$ 3,491.25	\$ 82,984.19	\$ 6,915.35
4B	1	1	1	\$ 1,395,000.00	734.00			\$ 7,955.15	0.3277%	0.3404%	\$ 12,380.73	\$ 1,031.73	\$ 12,623.54	\$ 1,051.96	\$ 25,004.27	\$ 2,083.69
4C	2	2	1	\$ 2,800,000.00	1,485.00			\$ 16,094.55	0.6631%	0.6887%	\$ 25,048.21	\$ 2,087.35	\$ 25,539.44	\$ 2,128.29	\$ 50,587.65	\$ 4,215.64
4D	3	3	1	\$ 3,765,000.00	1,931.00			\$ 20,928.33	0.8622%	0.8955%	\$ 32,571.11	\$ 2,714.26	\$ 33,209.87	\$ 2,767.49	\$ 65,780.98	\$ 5,481.75
4E	1	1	1	\$ 1,505,000.00	812.00			\$ 8,800.52	0.3626%	0.3766%	\$ 13,696.40	\$ 1,141.37	\$ 13,965.00	\$ 1,163.75	\$ 27,661.40	\$ 2,305.12
4F	1	2		\$ 1,895,000.00	1,004.00			\$ 10,881.43	0.4483%	0.4656%	\$ 16,934.95	\$ 1,411.25	\$ 17,267.07	\$ 1,438.92	\$ 34,202.02	\$ 2,850.17
4G*	2	2	1	\$ 2,315,000.00	1,223.00			N/A	0.5461%	0.5672%	\$ 20,628.93	\$ 1,719.08	\$ 21,033.49	\$ 1,752.79	\$ 41,662.42	\$ 3,471.87
5A	5	5	1	\$ 4,950,000.00	2,436.00			\$ 26,401.56	1.0877%	1.1297%	\$ 41,089.19	\$ 3,424.10	\$ 41,895.00	\$ 3,491.25	\$ 82,984.19	\$ 6,915.35
5B	1	1	1	\$ 1,405,000.00	734.00			\$ 7,955.15	0.3277%	0.3404%	\$ 12,380.73	\$ 1,031.73	\$ 12,623.54	\$ 1,051.96	\$ 25,004.27	\$ 2,083.69
5C	2	2	1	\$ 2,825,000.00	1,485.00			\$ 16,094.55	0.6631%	0.6887%	\$ 25,048.21	\$ 2,087.35	\$ 25,539.44	\$ 2,128.29	\$ 50,587.65	\$ 4,215.64
5D	3	3	1	\$ 3,805,000.00	1,931.00			\$ 20,928.33	0.8622%	0.8955%	\$ 32,571.11	\$ 2,714.26	\$ 33,209.87	\$ 2,767.49	\$ 65,780.98	\$ 5,481.75
5E	1	1	1	\$ 1,515,000.00	812.00			\$ 8,800.52	0.3626%	0.3766%	\$ 13,696.40	\$ 1,141.37	\$ 13,965.00	\$ 1,163.75	\$ 27,661.40	\$ 2,305.12
5F	1	2		\$ 1,915,000.00	1,004.00			\$ 10,881.43	0.4483%	0.4656%	\$ 16,934.95	\$ 1,411.25	\$ 17,267.07	\$ 1,438.92	\$ 34,202.02	\$ 2,850.17
5G	2	2	1	\$ 2,325,000.00	1,223.00			\$ 13,254.97	0.5461%	0.5672%	\$ 20,628.93	\$ 1,719.08	\$ 21,033.49	\$ 1,752.79	\$ 41,662.42	\$ 3,471.87
6A	5	5	1	\$ 5,025,000.00	2,436.00			\$ 26,401.56	1.0877%	1.1297%	\$ 41,089.19	\$ 3,424.10	\$ 41,895.00	\$ 3,491.25	\$ 82,984.19	\$ 6,915.35
6B	1	1	1	\$ 1,415,000.00	734.00			\$ 7,955.15	0.3277%	0.3404%	\$ 12,380.73	\$ 1,031.73	\$ 12,623.54	\$ 1,051.96	\$ 25,004.27	\$ 2,083.69
6C	2	2	1	\$ 2,850,000.00	1,485.00			\$ 16,094.55	0.6631%	0.6887%	\$ 25,048.21	\$ 2,087.35	\$ 25,539.44	\$ 2,128.29	\$ 50,587.65	\$ 4,215.64
6D	3	3	1	\$ 3,845,000.00	1,931.00			\$ 20,928.33	0.8622%	0.8955%	\$ 32,571.11	\$ 2,714.26	\$ 33,209.87	\$ 2,767.49	\$ 65,780.98	\$ 5,481.75
6E	1	1	1	\$ 1,525,000.00	812.00			\$ 8,800.52	0.3626%	0.3766%	\$ 13,696.40	\$ 1,141.37	\$ 13,965.00	\$ 1,163.75	\$ 27,661.40	\$ 2,305.12
6F	1	2		\$ 1,930,000.00	1,004.00			\$ 10,881.43	0.4483%	0.4656%	\$ 16,934.95	\$ 1,411.25	\$ 17,267.07	\$ 1,438.92	\$ 34,202.02	\$ 2,850.17
6G	2	2	1	\$ 2,345,000.00	1,223.00			\$ 13,254.97	0.5461%	0.5672%	\$ 20,628.93	\$ 1,719.08	\$ 21,033.49	\$ 1,752.79	\$ 41,662.42	\$ 3,471.87
7A	5	5	1	\$ 5,100,000.00	2,436.00			\$ 26,401.56	1.0877%	1.1297%	\$ 41,089.19	\$ 3,424.10	\$ 41,895.00	\$ 3,491.25	\$ 82,984.19	\$ 6,915.35
7B	1	1	1	\$ 1,425,000.00	734.00			\$ 7,955.15	0.3277%	0.3404%	\$ 12,380.73	\$ 1,031.73	\$ 12,623.54	\$ 1,051.96	\$ 25,004.27	\$ 2,083.69
7C	2	2	1	\$ 2,875,000.00	1,485.00			\$ 16,094.55	0.6631%	0.6887%	\$ 25,048.21	\$ 2,087.35	\$ 25,539.44	\$ 2,128.29	\$ 50,587.65	\$ 4,215.64
7D	3	3	1	\$ 3,885,000.00	1,931.00			\$ 20,928.33	0.8622%	0.8955%	\$ 32,571.11	\$ 2,714.26	\$ 33,209.87	\$ 2,767.49	\$ 65,780.98	\$ 5,481.75
7E	1	1	1	\$ 1,535,000.00	812.00			\$ 8,800.52	0.3626%	0.3766%	\$ 13,696.40	\$ 1,141.37	\$ 13,965.00	\$ 1,163.75	\$ 27,661.40	\$ 2,305.12
7F	1	1		\$ 1,625,000.00	865.00			\$ 9,374.94	0.3862%	0.4011%	\$ 14,590.37	\$ 1,215.86	\$ 14,876.51	\$ 1,239.71	\$ 29,466.88	\$ 2,455.57
7G	2	2	1	\$ 2,365,000.00	1,236.00			\$ 13,395.86	0.5519%	0.5732%	\$ 20,848.21	\$ 1,737.35	\$ 21,257.07	\$ 1,771.42	\$ 42,105.28	\$ 3,508.77
8A	4	4	1	\$ 5,000,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56	\$ 7,017.55
8B	2	2		\$ 2,500,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24	\$ 3,636.52
8C	3	3	1	\$ 4,200,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41	\$ 5,802.53
8D	3	3	1	\$ 3,500,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12	\$ 4,840.18
8E	2	2	1	\$ 3,195,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62	\$ 4,516.55

SCHEDULE A - OFFERING PRICES AND RELATED INFORMATION

250 WEST 96TH STREET CONDOMINIUM

250 West 96th Street

January 1, 2023 through December 31, 2023

(1)	(1)	(1)	(1)	(3)	(2)	(2)	(8)	(4)	(4)	(4)	(4)	(5)	(5)	(6)	(6)
UNIT	NUMBER OF	NUMBER OF	NUMBER OF HALF	OFFERING	APPROX.	APPROX.	SHARE OF	PERCENTAGE	PERCENTAGE	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED
NUMBER	BEDROOMS	BATHROOMS	BATHROOMS	PRICE	FOOTAGE	OUTDOOR	RESIDENT MANAGERS	OF	OF RESIDENTIAL	ANNUAL	MONTHLY	ANNUAL	MONTHLY	TOTAL	TOTAL
					OF UNIT	SQUARE	UNIT	COMMON	COMMON	COMMON	COMMON	REAL ESTATE	REAL ESTATE	ANNUAL	MONTHLY
						FOOTAGE	TERRACE/	INTEREST	INTEREST	CHARGES	CHARGES	TAXES	TAXES	CARRYING	CARRYING
							BALCONY	PURCHASE PRICE						CHARGES	CHARGES
8F	2	2	1	\$ 2,685,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
8G	1	1	1	\$ 1,495,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
9A	4	4	1	\$ 5,050,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
9B	2	2		\$ 2,525,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
9C	3	3	1	\$ 4,250,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41
9D	3	3	1	\$ 3,535,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12
9E	2	2	1	\$ 3,275,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62
9F	2	2	1	\$ 2,710,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
9G	1	1	1	\$ 1,505,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
10A	4	4	1	\$ 5,100,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
10B	2	2		\$ 2,550,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
10C	3	3	1	\$ 4,295,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41
10D	3	3	1	\$ 3,570,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12
10E	2	2	1	\$ 3,300,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62
10F	2	2	1	\$ 2,735,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
10G	1	1	1	\$ 1,515,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
11A	4	4	1	\$ 5,150,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
11B	2	2		\$ 2,575,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
11C	3	3	1	\$ 4,340,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41
11D	3	3	1	\$ 3,605,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12
11E	2	2	1	\$ 3,325,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62
11F	2	2	1	\$ 2,760,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
11G	1	1	1	\$ 1,525,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
12A	4	4	1	\$ 5,200,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
12B	2	2		\$ 2,600,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
12C	3	3	1	\$ 4,385,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41
12D	3	3	1	\$ 3,640,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12
12E	2	2	1	\$ 3,350,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62
12F	2	2	1	\$ 2,785,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
12G	1	1	1	\$ 1,535,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
14A	4	4	1	\$ 5,250,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
14B	2	2		\$ 2,625,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
14C	3	3	1	\$ 4,430,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41
14D	3	3	1	\$ 3,675,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12
14E	2	2	1	\$ 3,375,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62
14F	2	2	1	\$ 2,810,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
14G	1	1	1	\$ 1,555,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
15A	4	4	1	\$ 5,300,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
15B	2	2		\$ 2,650,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
15C	3	3	1	\$ 4,475,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41
15D	3	3	1	\$ 3,710,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12
15E	2	2	1	\$ 3,400,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62
15F	2	2	1	\$ 2,835,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47
15G	1	1	1	\$ 1,565,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83
16A	4	4	1	\$ 5,390,000.00	2,472.00			\$ 26,791.73	1.1038%	1.1464%	\$ 41,696.42	\$ 3,474.70	\$ 42,514.14	\$ 3,542.85	\$ 84,210.56
16B	2	2		\$ 2,690,000.00	1,281.00			\$ 13,883.58	0.5720%	0.5941%	\$ 21,607.25	\$ 1,800.60	\$ 22,030.99	\$ 1,835.92	\$ 43,638.24
16C	3	3	1	\$ 4,550,000.00	2,044.00			\$ 22,153.03	0.9127%	0.9479%	\$ 34,477.14	\$ 2,873.09	\$ 35,153.28	\$ 2,929.44	\$ 69,630.41

SCHEDULE A - OFFERING PRICES AND RELATED INFORMATION
250 WEST 96TH STREET CONDOMINIUM
250 West 96th Street
January 1, 2023 through December 31,2023

(1) UNIT NUMBER	(1) NUMBER OF BEDROOMS	(1) NUMBER OF BATHROOMS	(1) NUMBER OF HALF BATHROOMS	(3) OFFERING PRICE	(2) APPROX. SQUARE FOOTAGE OF UNIT	(2) APPROX. OUTDOOR SQUARE FOOTAGE	(2) TERRACE/ BALCONY	(8) SHARE OF RESIDENT MANAGERS UNIT PURCHASE PRICE	(4) PERCENTAGE OF COMMON INTEREST	(4) PERCENTAGE OF RESIDENTIAL COMMON INTEREST	(4) PROJECTED ANNUAL COMMON CHARGES	(4) PROJECTED MONTHLY COMMON CHARGES	(5) PROJECTED ANNUAL REAL ESTATE TAXES	(5) PROJECTED MONTHLY REAL ESTATE TAXES	(6) PROJECTED TOTAL ANNUAL CARRYING CHARGES	(6) PROJECTED TOTAL MONTHLY CARRYING CHARGES
16D	3	3	1	\$ 3,770,000.00	1,705.00			\$ 18,478.92	0.7613%	0.7907%	\$ 28,759.06	\$ 2,396.59	\$ 29,323.06	\$ 2,443.59	\$ 58,082.12	\$ 4,840.18
16E	2	2	1	\$ 3,440,000.00	1,591.00			\$ 17,243.38	0.7104%	0.7378%	\$ 26,836.17	\$ 2,236.35	\$ 27,362.46	\$ 2,280.20	\$ 54,198.62	\$ 4,516.55
16F	2	2	1	\$ 2,875,000.00	1,391.00			\$ 15,075.77	0.6211%	0.6451%	\$ 23,462.67	\$ 1,955.22	\$ 23,922.80	\$ 1,993.57	\$ 47,385.47	\$ 3,948.79
16G	1	1	1	\$ 1,595,000.00	773.00			\$ 8,377.83	0.3451%	0.3585%	\$ 13,038.56	\$ 1,086.55	\$ 13,294.27	\$ 1,107.86	\$ 26,332.83	\$ 2,194.40
17A	4	4		\$ 6,285,000.00	2,461.00	375	T	\$ 27,688.58	1.1407%	1.1848%	\$ 43,092.20	\$ 3,591.02	\$ 43,937.30	\$ 3,661.44	\$ 87,029.50	\$ 7,252.46
17B	2	2	1	\$ 3,550,000.00	1,387.00	498	T	\$ 16,381.76	0.6749%	0.7010%	\$ 25,495.20	\$ 2,124.60	\$ 25,995.20	\$ 2,166.27	\$ 51,490.40	\$ 4,290.87
17C	3	3	1	\$ 5,950,000.00	2,404.00	752	T	\$ 28,092.30	1.1582%	1.2020%	\$ 43,720.52	\$ 3,643.38	\$ 44,577.93	\$ 3,714.83	\$ 88,298.45	\$ 7,358.20
17D	3	3	1	\$ 5,625,000.00	2,221.00	129	T	\$ 24,420.90	1.0066%	1.0449%	\$ 38,006.66	\$ 3,167.22	\$ 38,752.02	\$ 3,229.33	\$ 76,758.67	\$ 6,396.56
17E	2	2	1	\$ 2,595,000.00	1,210.00			\$ 13,114.07	0.5403%	0.5611%	\$ 20,409.65	\$ 1,700.80	\$ 20,809.92	\$ 1,734.16	\$ 41,219.57	\$ 3,434.96
18A	4	4		\$ 5,700,000.00	2,461.00			\$ 26,672.51	1.0988%	1.1413%	\$ 41,510.88	\$ 3,459.24	\$ 42,324.96	\$ 3,527.08	\$ 83,835.84	\$ 6,986.32
18B	2	2	1	\$ 3,175,000.00	1,382.00			\$ 14,978.22	0.6171%	0.6409%	\$ 23,310.86	\$ 1,942.57	\$ 23,768.02	\$ 1,980.67	\$ 47,078.88	\$ 3,923.24
18C	3	3	1	\$ 5,475,000.00	2,411.00			\$ 26,130.61	1.0765%	1.1181%	\$ 40,667.50	\$ 3,388.96	\$ 41,465.05	\$ 3,455.42	\$ 82,132.55	\$ 6,844.38
18D	3	3	1	\$ 5,275,000.00	2,220.00			\$ 24,060.53	0.9912%	1.0295%	\$ 37,445.81	\$ 3,120.48	\$ 38,180.18	\$ 3,181.68	\$ 75,625.99	\$ 6,302.17
18E	2	2	1	\$ 2,615,000.00	1,210.00			\$ 13,114.07	0.5403%	0.5611%	\$ 20,409.65	\$ 1,700.80	\$ 20,809.92	\$ 1,734.16	\$ 41,219.57	\$ 3,434.96
19A	4	4		\$ 5,760,000.00	2,461.00			\$ 26,672.51	1.0988%	1.1413%	\$ 41,510.88	\$ 3,459.24	\$ 42,324.96	\$ 3,527.08	\$ 83,835.84	\$ 6,986.32
19B	2	2	1	\$ 3,200,000.00	1,382.00			\$ 14,978.22	0.6171%	0.6409%	\$ 23,310.86	\$ 1,942.57	\$ 23,768.02	\$ 1,980.67	\$ 47,078.88	\$ 3,923.24
19C	3	3	1	\$ 5,525,000.00	2,411.00			\$ 26,130.61	1.0765%	1.1181%	\$ 40,667.50	\$ 3,388.96	\$ 41,465.05	\$ 3,455.42	\$ 82,132.55	\$ 6,844.38
19D	3	3	1	\$ 5,325,000.00	2,220.00			\$ 24,060.53	0.9912%	1.0295%	\$ 37,445.81	\$ 3,120.48	\$ 38,180.18	\$ 3,181.68	\$ 75,625.99	\$ 6,302.17
19E	2	2	1	\$ 2,635,000.00	1,210.00			\$ 13,114.07	0.5403%	0.5611%	\$ 20,409.65	\$ 1,700.80	\$ 20,809.92	\$ 1,734.16	\$ 41,219.57	\$ 3,434.96
20A	4	4		\$ 5,820,000.00	2,461.00			\$ 26,672.51	1.0988%	1.1413%	\$ 41,510.88	\$ 3,459.24	\$ 42,324.96	\$ 3,527.08	\$ 83,835.84	\$ 6,986.32
20B	2	2	1	\$ 3,225,000.00	1,392.00			\$ 15,086.61	0.6171%	0.6455%	\$ 23,479.54	\$ 1,956.63	\$ 23,940.00	\$ 1,995.00	\$ 47,419.54	\$ 3,951.63
20C	3	3	1	\$ 5,325,000.00	2,006.00	401	T	\$ 22,827.70	0.9454%	0.9768%	\$ 35,527.14	\$ 2,960.59	\$ 36,223.87	\$ 3,018.66	\$ 71,751.01	\$ 5,979.25
20D	3	3	1	\$ 5,375,000.00	2,220.00			\$ 24,060.53	0.9912%	1.0295%	\$ 37,445.81	\$ 3,120.48	\$ 38,180.18	\$ 3,181.68	\$ 75,625.99	\$ 6,302.17
20E	2	2	1	\$ 2,655,000.00	1,210.00			\$ 13,114.07	0.5403%	0.5611%	\$ 20,409.65	\$ 1,700.80	\$ 20,809.92	\$ 1,734.16	\$ 41,219.57	\$ 3,434.96
21A	4	4		\$ 5,880,000.00	2,461.00			\$ 26,672.51	1.0988%	1.1413%	\$ 41,510.88	\$ 3,459.24	\$ 42,324.96	\$ 3,527.08	\$ 83,835.84	\$ 6,986.32
21B	2	2	1	\$ 3,250,000.00	1,392.00			\$ 15,086.61	0.6215%	0.6455%	\$ 23,479.54	\$ 1,956.63	\$ 23,940.00	\$ 1,995.00	\$ 47,419.54	\$ 3,951.63
21C	3	3	1	\$ 4,775,000.00	2,006.00			\$ 21,741.19	0.8957%	0.9303%	\$ 33,836.17	\$ 2,819.68	\$ 34,499.74	\$ 2,874.98	\$ 68,335.91	\$ 5,694.66
21D	3	3	1	\$ 5,425,000.00	2,220.00			\$ 24,060.53	0.9912%	1.0295%	\$ 37,445.81	\$ 3,120.48	\$ 38,180.18	\$ 3,181.68	\$ 75,625.99	\$ 6,302.17
21E	2	2	1	\$ 2,675,000.00	1,210.00			\$ 13,114.07	0.5403%	0.5611%	\$ 20,409.65	\$ 1,700.80	\$ 20,809.92	\$ 1,734.16	\$ 41,219.57	\$ 3,434.96
22A	4	4		\$ 5,940,000.00	2,461.00			\$ 26,672.51	1.0988%	1.1413%	\$ 41,510.88	\$ 3,459.24	\$ 42,324.96	\$ 3,527.08	\$ 83,835.84	\$ 6,986.32
22B	2	2	1	\$ 3,275,000.00	1,392.00			\$ 15,086.61	0.6215%	0.6455%	\$ 23,479.54	\$ 1,956.63	\$ 23,940.00	\$ 1,995.00	\$ 47,419.54	\$ 3,951.63
22C	3	3	1	\$ 4,825,000.00	2,006.00			\$ 21,741.19	0.8957%	0.9303%	\$ 33,836.17	\$ 2,819.68	\$ 34,499.74	\$ 2,874.98	\$ 68,335.91	\$ 5,694.66
22D	3	3	1	\$ 5,475,000.00	2,220.00			\$ 24,060.53	0.9912%	1.0295%	\$ 37,445.81	\$ 3,120.48	\$ 38,180.18	\$ 3,181.68	\$ 75,625.99	\$ 6,302.17
22E	2	2	1	\$ 2,695,000.00	1,210.00			\$ 13,114.07	0.5403%	0.5611%	\$ 20,409.65	\$ 1,700.80	\$ 20,809.92	\$ 1,734.16	\$ 41,219.57	\$ 3,434.96
PHA	4	4		\$ 8,650,000.00	3,124.00	1,160	T	\$ 37,001.20	1.5245%	1.5832%	\$ 57,585.59	\$ 4,798.80	\$ 58,714.92	\$ 4,892.91	\$ 116,300.51	\$ 9,691.71
PHB	3	3	1	\$ 5,450,000.00	2,141.00			\$ 23,204.33	0.9560%	0.9929%	\$ 36,113.28	\$ 3,009.44	\$ 36,821.51	\$ 3,068.46	\$ 72,934.79	\$ 6,077.90
PHC	4	3	1	\$ 11,850,000.00	4,362.00	1,532	T	\$ 51,426.68	2.1175%	2.2005%	\$ 80,036.21	\$ 6,669.68	\$ 81,605.83	\$ 6,800.49	\$ 161,642.03	\$ 13,470.17
Residential Total				\$ 458,745,000	214,270	5,455		\$ 2,315,000.00	96.2832%	100.0000%	\$ 3,637,198.61	\$ 303,099.88	\$ 3,708,529.00	\$ 309,044.08	\$ 7,345,727.61	\$ 612,143.97
Retail Unit 1					8,324				3.7168%		\$ 29,713.30	\$ 2,476.11	\$ 170,384.00	\$ 14,198.67	\$ 200,097.30	\$ 16,674.78
Retail Unit Totals					8,324	0		\$ -	3.7168%		\$ 29,713.30	\$ 2,476.11	\$ 170,384.00	\$ 14,198.67	\$ 200,097.30	\$ 16,674.78
Total				\$ 458,745,000	222,594	5,455		\$ 2,315,000.00	100.0000%	100.0000%	\$ 3,666,911.92	\$ 305,575.99	\$ 3,878,913.00	\$ 323,242.75	\$ 7,545,824.92	\$ 628,818.74

*4G is the Resident Managers Unit

**2E is the HPD Unit

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 should be aware that the real estate taxes may increase materially when the building is reassessed after construction is complete.

Schedule A-1

250 WEST 96TH STREET CONDOMINIUM

Schedule A-1: Purchase Prices for Storage Bin License Agreement and Related Information for the
Projected First Year of Condominium Operation (1/1/23-12/31/23)

Storage Bin	Storage Bin Square Footage	Purchase Price	License Fee Per Month	License Fee Per Year
1	22	\$ 35,000	\$ 33	\$ 396
2	19	\$ 25,000	\$ 29	\$ 342
3	35	\$ 50,000	\$ 53	\$ 630
4	32	\$ 45,000	\$ 48	\$ 576
5	19	\$ 25,000	\$ 29	\$ 342
6	19	\$ 25,000	\$ 29	\$ 342
7	20	\$ 22,500	\$ 30	\$ 360
8	20	\$ 22,500	\$ 30	\$ 360
9	20	\$ 22,500	\$ 30	\$ 360
10	20	\$ 22,500	\$ 30	\$ 360
11	20	\$ 22,500	\$ 30	\$ 360
12	17	\$ 20,000	\$ 26	\$ 306
13	20	\$ 22,500	\$ 30	\$ 360
14	20	\$ 22,500	\$ 30	\$ 360
15	22	\$ 22,500	\$ 33	\$ 396
16	9	\$ 10,000	\$ 14	\$ 162
17	12	\$ 10,000	\$ 18	\$ 216
18	20	\$ 22,500	\$ 30	\$ 360
19	18	\$ 20,000	\$ 27	\$ 324
20	18	\$ 20,000	\$ 27	\$ 324
21	18	\$ 20,000	\$ 27	\$ 324
22	18	\$ 20,000	\$ 27	\$ 324
23	21	\$ 22,500	\$ 32	\$ 378
24	21	\$ 22,500	\$ 32	\$ 378
25	21	\$ 22,500	\$ 32	\$ 378
26	21	\$ 22,500	\$ 32	\$ 378
27	20	\$ 27,500	\$ 30	\$ 360
28	20	\$ 27,500	\$ 30	\$ 360
TOTALS	562	\$ 672,500	\$ 843	\$ 10,116

NOTES TO SCHEDULE A

1. Amounts are projected on the assumption that the first year of operation will be during the year from January 1, 2023 to December 31, 2023. The actual first year of Residential Section operation may begin earlier or later than that year and is currently projected to commence on approximately January 1, 2023. Plans depicting layouts of Residential Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the square footage of each Unit as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan is approximate within reasonable tolerances. The room count for each Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums and does not necessarily conform to the zoning room count or the method utilized by the Real Estate Board of New York.

The number of bedrooms and bathrooms for each Unit was determined by Sponsor's architect in accordance with industry practice for condominiums and does not necessarily conform to the zoning room count or the method used by the Real Estate Board of New York.

Any floor plan or sketch or schedule shown to a prospective Purchaser is only an approximation of the square foot area and layout of the Unit in question. However, any material change will be set forth in an amendment to the Plan, and no material change (for example, a reduction in square footage in excess of 5%) will be made in the size, configuration, or layout of a Unit for which an Agreement has been executed unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices exists), and in such event, Sponsor will offer the materially adversely affected Purchaser(s) the right, for at least 15 days, to rescind their Agreements and receive a refund of their Option Payment(s), together with all interest earned thereon. There is a rebuttable presumption that an area that is diminished by 5% or less is not material. An increase in the size of a room or Unit will not on its own give rise to a right of rescission.

2. The approximate floor area of each Unit has been measured horizontally from the outside face of the exterior walls of the Building to (a) the centerline of drywall or masonry partition separating one Unit from another Unit, (b) the corridor side of any corridor walls, (c) the centerline of the drywall or masonry partitions enclosing common element stairs, and (d) the centerline of any common element shafts, elevators and other mechanical equipment rooms. Common Elements located within a Unit shall not be considered part of such Unit but are included in the measured area of each Unit. Outdoor floor areas of Terraces or other outdoor areas, if any, appurtenant to a Unit were not included in the Unit's approximate floor areas. Dimensions measured from exterior walls may not accurately represent the interior space in the Unit and may exaggerate such interior space by as much as five percent (5%).

Each Unit is measured vertically from the top of the concrete floor to the underside of the concrete slab, but not including such elements. Common Elements located within a Unit shall not be considered part of such Unit but are included in the measured area of each Unit. Terraces are measured horizontally from (a) the outside face of exterior walls or glazing of the building to (b) the outside face of the exterior parapet and (c) the outside face of exterior fences.

The square foot areas determined using the methodology set forth above, as shown in Schedule A in Part I of the Plan, would be different from that derived by using an alternative methodology of measuring from interior surfaces to interior surfaces (which would yield significantly lesser actual useable floor area for each Unit). The stated method of measurement used is applicable to all Units. The room count for each Unit was determined by Sponsor's architect in accordance with industry practice for new construction condominiums.

3. Sponsor has reserved the right to change the purchase prices (as well as other terms of sale) of Units not subject to executed Agreements, so Purchasers may pay different prices for similar Units. The purchase prices and other terms of the Agreements may be subject to negotiation with Sponsor. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease purchase prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction (see the section of the Plan entitled "Changes in Prices and Units"). In addition to the purchase price, Purchaser will be responsible at Closing for certain closing costs as explained in the Section entitled "Closing Costs and Adjustments" in Part I of the Plan including, without limitation, the obligation to contribute two month's common charges to the Working Capital Fund of the Condominium, which can only be used for initial closing costs incurred by the Condominium and repairs and replacements to the Residential Common Elements. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Units.
4. The respective Percentage Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the New York Condominium Act, is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. In the event that Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Units and such change involves the inclusion, in the Unit, of areas formerly designated as Common Elements, or involves adding to the Common Elements, space that was previously incorporated in the Residential Units, the Common Elements of all of the Units may change slightly. Any such change in the Common Elements prior to the recording of the Declaration shall not be deemed a material change and shall not give rise to a right of rescission on the part of any purchaser.

5. The estimated monthly Residential Common Charges for each Residential Unit are based on the projected “Budget for First Year of Condominium Operation, Schedule B” prepared by Sponsor’s Condominium Budget Expert. The estimated monthly Residential Common Charges include the cost of central heating for the Units. In addition to these estimated payments, each Residential Unit Owner will be responsible for real estate taxes for such Residential Unit, mortgage payments under a loan or loans, if any, obtained to finance the purchase of the Residential Unit, the cost of electricity supplied to the Residential Unit which will be separately submetered and payable by the Residential Unit Owners to the Condominium Board, the insurance which must be carried by each Residential Unit Owner with respect to liability and casualty to the contents of the Unit and the cost of interior repairs and decorations to the Residential Unit. Until the Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the Condominium By-Laws. In addition, capital repairs, additions, improvements, alterations and restorations to Residential Section are Residential Common Expenses which will be borne solely by the Residential Unit Owners. The first year of operation may include a portion of the year in which the Buildings are not fully occupied or all services are not provided. Accordingly, the first year of operation may not be indicative of subsequent years.

As discussed in the Section entitled “Available Services and Facilities” above and in Special Risk entitled “Interim Service Period”, the full range of services and facilities described in this Plan may not be provided until move-ins are finished and Sponsor’s construction work within and on the Building is completed.

As discussed below in the Section entitled “Control by Sponsor” and in the Special Risk entitled “Waiver of Common Charges”, Sponsor shall have the right, in its sole and absolute discretion, to cause the Board to waive the collection of the Residential Common Charges from Unit Owners for a period of time prior to full occupancy of the Condominium (the “Waiver Period”); provided, however, that Sponsor shall be solely responsible for payment of all remaining expenses to operate the Residential Section during the Waiver Period (the “Waiver Period Operating Expenses”). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan disclosing the occurrence of the First Closing; (ii) Sponsor shall provide notice to Residential Unit Owners disclosing the expiration of the Waiver Period at least thirty (30) days prior to such expiration and shall subsequently disclose the expiration of the Waiver Period in an amendment to the Plan; (iii) that during any such Waiver Period, Sponsor will timely pay all expenses of the Condominium (which shall not include real estate taxes, whether the Units have been separately assessed or not), including but not limited to insurance premiums, any reserve fund payments and contingency payments to the extent otherwise included in Schedule B – “Projected Budget for First Year of Condominium Operation”; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor shall remain obligated to update the budget for the Condominium, as provided in the Condominium Documents. Sponsor, in its sole and absolute discretion, may upon 30 days prior written notice to Unit Owners terminate the Waiver Period. The Sponsor-controlled Board will provide certified financial statements during the Waiver Period.

6. It is estimated that the aggregate real estate taxes attributable to all Unit Owners for the first year of Condominium operation will total approximately \$3,878,913, based on an opinion prepared by Marcus & Pollack LLP (Sponsor's real estate tax counsel), dated March 3, 2022, which assumes (a) an estimated taxable assessed valuation attributable to the entire Property of \$22,792,050 for the 2022/2023 fiscal tax year, (b) an estimated taxable assessed valuation attributable to the entire Property of \$40,871,428 for the 2023/2024 fiscal tax year, (c) a projected residential tax rate of 12.235% and (d) a projected commercial tax rate of 10.755%. Assuming the Property does not receive any abatement from real estate taxes, the taxes during the first tax year after completion of construction and second year of operation, and subsequent years, will be higher than the taxes during the first year of operation. It is estimated in the opinion of letter of Marcus & Pollack LLP, that for the first post construction tax year of 2024/2025 the residential units' real estate taxes will be \$5,013,304.

SPONSOR AND THEIR REAL ESTATE TAX COUNSEL MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY OR THE REAL ESTATE TAXES WILL BE AS PROJECTED OR THAT THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED.

The estimate of the taxes for each Residential Unit has been determined by multiplying the total taxes due with respect to the Residential Units by a percentage derived by multiplying the estimated assessed value for the Residential Units by their percentage Common Interest. Please refer to the Section of the Plan entitled "Real Estate Taxes" and the opinions of Holland & Knight LLP and Marcus & Pollack LLP as set forth in Part I of the Plan for further discussion regarding real estate taxes for the residential portion of the Property.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for payment of, nor will the Unit be subjected to, any lien arising from the non-payment of real estate taxes on other Units. Prior to the issuance of separate tax lots, the real estate tax estimates for each Residential Unit will be determined by multiplying the total taxes due with respect to the Residential Units by a percentage derived by dividing the Common Interest of each Residential Unit by the total Common Interests of all Residential Units. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's percentage interest in the Common Elements rather than Purchase Price, or some combination of the two, and if so, Residential Units having the same percentage interest may pay different real estate taxes.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) that the New York City tax assessor will allocate individual Residential Unit assessments on the basis of each Residential Unit's percentage interest in the Common Elements; (ii) that \$22,792,050 will be the total taxable assessed value for fiscal tax year 2022/2023 of which it is estimated that \$21,871,844 will be attributable to the residential units; (iii) that \$40,871,428 will be the total taxable assessed

value for fiscal tax year 2023/2024 of which it is estimated that \$38,749,797 will be attributable to the residential units; or (iv) that the tax rate for residential property will be \$12.235 per \$100 of assessed value.

See the Section entitled “Income Tax Deductions to Residential Unit Owners and Tax Status of Condominium” and the Tax Opinion of Holland & Knight LLP in Part I of the Plan for a discussion concerning the deductibility of real estate taxes paid with respect to a Residential Unit.

No warranty, guarantee or assurance is given that:

- (i) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property’s assessed valuations during the First Year of Condominium Operation, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the average real estate tax rate that will be in effect during such First Year of Condominium Operation and the date of completion of construction of the Building) will approximate the actual amount;
- (ii) the New York City Department of Finance will allocate the Property’s aggregate assessed valuation between the Units in accordance with the proportionate Common Interests of the Units, or that such department will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above; or
- (iii) any of the projections or estimates made above and in Schedule A are accurate.

Until the Units are separately assessed, each Unit Owner will pay to the Board his or her Unit’s pro rata share of the Property’s real estate taxes for the period in question pursuant to Section 6.1.2 of the By-Laws. This proration will likely be made by first allocating the Property’s taxes among the Units on basis of proportionate Common Interest. The Board will pay such real estate taxes to the Department of Finance of The City of New York or directly to Sponsor if Sponsor has paid such real estate taxes. If any Unit Owner fails to pay his or her pro rata share as set forth above, the Board will be entitled to assess late charges and/or place a lien on such Unit as if such unpaid share were Common Charges. (See the Section entitled “Collection and Lien for Non-Payment of Common Charges” in Part I of the Plan for further discussion.)

Upon determination of individual tax lots and individual assessments for such Unit, the New York City tax authorities may allocate taxes among the Units on some other basis rather than its relative Common Interest, and, if so, Units having the same or similar Common Interest may pay different real estate taxes and/or taxes may differ from those set forth on Schedule A. In addition, the New York City tax authorities may assess taxes against the Building in a different manner and in a different amount than that assumed by Sponsor’s real estate tax expert and, if so, Unit Owners may pay significantly different real

estate taxes than those set forth on Schedule A.

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

In the opinion of Sponsor's Counsel, an individual Residential Unit Owner who is a resident of New York City for tax purposes and who itemizes his or her deductions generally will, under the income tax Laws and regulations in effect as of the date of this Plan and subject to certain limitations and qualifications, be entitled to deduct from his or her Federal, New York State and New York City income, the state and local real property taxes assessed against his or her Residential Unit and paid by such Residential Unit Owner. However, the amount of such deductions may vary from year to year due to changes in the amount of the real estate taxes payable by the Residential Unit Owner (which might result from changes in the assessed valuation of the Residential Unit, in the tax rate and/or in the manner of assessing real property). Prospective Purchasers should refer to the Sections entitled "Income Tax Deductions to Unit Owners and Tax Status of Condominium" and "Opinions of Counsel" below for further discussion.

7. THE PRICES FOR THE STORAGE BIN LICENSES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO REVIEW OR APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

Holders of Storage Bin Licenses, excluding Sponsor with respect to unsold Storage Bin Licenses, will be required to pay a license fee to the Condominium in an amount equal to \$1.50 per square foot per month, which amount shall, following the First Closing, be subject to biannual increases based upon the CPI Increase Factor in effect on the date of the First Closing. Further, the license fee is subject to change from time to time as the Board deems necessary in its discretion.

The Storage Bins may only be used for storage purposes, and in no event may the Storage Bins be used as dwelling spaces. No materials which pose a health or safety threat or which otherwise create a nuisance may be stored therein, and Storage Bins may not be used to store toxic, inflammable or combustible items as defined in the Building Code. Failure of a Residential Unit Owner to comply with the use limitations set forth in the immediately preceding sentence may result in issuance by the Department of Buildings of a violation against the Building along with imposition of an associated fine. Notwithstanding the foregoing, Sponsor or its designee shall have the right to use any unlicensed Storage Bins for any purpose permitted by Legal Requirements (as hereinafter defined) or to change the permitted use of any unlicensed Storage Bins, subject, however, to the provisions of the Declaration.

Upon the issuance of a Storage Bin License to a Residential Unit Owner, such Residential Unit Owner may freely assign such License without the consent of the Board; provided such assignee is also a Residential Unit Owner; and provided further that the Board is provided written notice of such assignment. Neither Sponsor nor the Board shall have any

liability or obligation with respect to a private assignment of a Storage Bin License. If at any time the licensee of a Storage Bin sells its Unit, it shall simultaneously assign its license of the Storage Bin to another Residential Unit Owner (or the Purchaser of such Residential Unit), and if it fails to do so, the Board shall have the right to terminate the license of the Storage Bin and take possession of the same, without compensation to the licensee. Upon the issuance of a Storage Bin License to a Residential Unit Owner or the transfer of a Storage Bin License to an assignee, such Residential Unit Owner or assignee, as the case may be, shall provide the Managing Agent with a copy of the Storage Bin License Agreement.

If a Residential Unit Owner holding a Storage Bin License defaults in its obligations under the Storage Bin License Agreement or under the Condominium Documents, the Board may, in addition to the rights and remedies set forth in the Condominium Documents: (i) deny access to and use of the Storage Bin until such Residential Unit Owner cures such default, or (ii) terminate the Storage Bin License Agreement upon written notice to the Residential Unit Owner.

The form of the Storage Bin License Agreement to be used for licensing the use of such Storage Bins to individual Residential Unit Owners are included in Part II of this Plan.

Sponsor shall offer the Storage Bin Licenses to Purchasers of Residential Unit on a first-come, first-served basis until such time as all of the Storage Bin Licenses have been purchased. Sponsor reserves the right to limit the number of Storage Bin Licenses sold to any one Purchaser or to make bulk sales, as it as it determines in its sole discretion. Storage Bin Licenses will only be sold by Sponsor to Purchasers of Residential Units. Prospective Purchasers will be required to deliver a deposit in the amount of 15% of the Purchase Price of the Storage Bin License upon execution of an Agreement as set forth in the Storage Bin License rider to the form of Agreement included in Part II of this Plan. In the event the Storage Bin is not available for conveyance to a Purchaser at the closing of such Purchaser's Residential Unit, all monies paid for the Storage Bin License must be held in escrow by Escrow Agent and may only be released to Sponsor in connection with the conveyance of the Storage Bin to Purchaser. (See the Sections entitled "Storage Bins" under "Description of Property and Improvements", "Changes in Prices, Residential Units and Storage Licenses," and "Procedure to Purchase" in Part I of the Plan for further information).

8. Resident Manager's Unit: The Purchase Price for the Resident Manager's Unit, Unit 4G, is \$2,315,000, which is \$1,893 per square foot. If the Sponsor sells a Unit other than Unit 4G as the Resident Manager's Unit, in no event will the Purchase Price be greater than \$1,893 per square foot for 1,223 square feet. At the closing of title to each Unit, the Purchaser thereof, as a closing cost, will be required to pay on behalf of the Condominium Board such Purchaser's share of the cost of the Resident Manager's Unit determined in accordance with the Common Interest of the Unit purchased in proportion to the Common Interest appurtenant to all Units (other than the Resident Manager's Unit) and in the amount more particularly set forth on Schedule A, "Offering Prices and Related Information" in Part I of the Plan.

Sponsor retains the option of purchasing an apartment in the building within one block of the Condominium containing approximately the same square footage as Unit 4G and a price per square foot of not more than \$1,893 per square foot (the "Alternate RMU"), in which event the RMU will be a different building and each Purchaser's share of the cost will be based on the other building, provided, however the amount paid by each Purchaser shall not exceed the amount shown on Schedule A.

9. Residential Unit 2E is the Affordable Unit, which is subject to the Regulatory Agreement. The Common Charges and real estate taxes on the Affordable Unit are fixed based on a formula contained in the Regulatory Agreement and the budget for the Residential Section is required to cover any shortfall for each fiscal year. Sponsor estimates that the increased cost to the average Unit Owner will be approximately \$14.11 per month during the First Year of Operation, which amount is included in the estimated common charges currently set forth in Schedule A. In the event the funds are not adequate the Budget for the Residential Section also contains a contingency to cover the cost.

**G. BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION,
SCHEDULE B**

SCHEDULE B			
PROJECTED BUDGET			
250 WEST 96TH STREET CONDOMINIUM			
250 WEST 96TH STREET			
ESTIMATED SCHEDULE OF RECEIPTS AND EXPENSES			
FOR FIRST FULL YEAR OF OPERATION (1)			
January 1, 2023 to December 31, 2023			
RECEIPTS			
	COMMON CHARGES - RESIDENTIAL	(2)	\$ 3,637,198
	COMMON CHARGES - RETAIL UNIT	(2)	\$ 29,713
	LICENSE FEES- STORAGE BINS	(3)	\$ 10,116
	RESERVE FUND PAYMENTS	(19)	\$ 102,377
			<u>\$ 3,779,404</u>
EXPENSES			
		(4)	
	LABOR	(5)	\$ 1,431,777
	GAS (HEAT/HOT WATER)	(6)	\$ 662,901
	ELECTRICITY	(7)	\$ 273,085
	WATER & SEWER	(8)	\$ 231,789
	REPAIRS & MAINTENANCE	(9)	\$ 115,000
	SERVICE CONTRACTS	(10)	\$ 481,000
	INSURANCE	(11)	\$ 230,000
	MANAGEMENT FEE	(12)	\$ 70,000
	ADMINISTRATION	(13)	\$ 20,000
	RESIDENT MANAGERS UNIT	(14)	\$ 52,842
	OTHER EXPENSES	(15)	\$ 60,011
	CONTINGENCY	(16)	\$ 40,000
	COMMON CHARGE REPLACEMENT RESERVES	(17)	\$ 8,623
	TOTAL OPERATING EXPENSES	(18)	\$ 3,677,027
	SUPPLEMENTAL RESERVES	(19)	\$ 102,377
	TOTAL BUDGET	(20)	<u>\$ 3,779,404</u>

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

ALLOCATION OF COMMON EXPENSES BETWEEN RESIDENTIAL AND NON-RESIDENTIAL UNIT				
		(see detailed notes which follow)		
Common Expenses	Total Expenses	Method of Allocation	Residential Units Share	Non-Residential Unit Share
%			96.2832%	3.7168%
Payroll & Benefits	\$ 1,431,777	See Notes	\$ 1,420,201	\$ 11,575
Electricity	\$ 273,085	100% Residential	\$ 273,085	N/A
Gas (Heat, Hot Water and Cooking)	\$ 662,901	100% Residential	\$ 662,901	N/A
Water Charges and Sewer Rent	\$ 231,789	100% Residential	\$ 231,789	N/A
Repairs and Maintenance	\$ 115,000	See Notes	\$ 113,829	\$ 1,171
Service Contracts	\$ 481,000	See Notes	\$ 478,826	\$ 2,174
Insurance	\$ 230,000	% of Common Interest	\$ 221,451	\$ 8,549
Management Fee	\$ 70,000	% of Common Interest	\$ 67,398	\$ 2,602
Legal /Audit	\$ 20,000	% of Common Interest	\$ 19,257	\$ 743
Resident Managers Unit	\$ 52,842	% of Common Interest	\$ 52,842	N/A
Other Expenses	\$ 60,010.65	% of Common Interest	\$ 58,598	\$ 1,412
Contingency	\$ 40,000.00	% of Common Interest	\$ 38,513	\$ 1,487
Replacement Reserve	\$ 8,623	100% Residential	\$ 8,623	N/A
Total	\$ 3,677,027		\$ 3,647,314	\$ 29,713
All General Common Charges have been allocated based upon each Unit's Common Interest unless otherwise stated.				
A. The Non-Residential Unit Owner's share of the Payroll and Benefits expense is based on their allocation of the cost of the Superintendent and one (1) porter only.				
B. The Commercial Unit Owner's share of Repairs and Maintenance expenses is based on its Common Interest applied to the costs of the following Repair and Maintenance expense only: Plumbing, Electrical, Window/Locks/Doors and General Repairs.				
C. The Commercial Unit Owner's share of Service Contract expenses is based on its Common Interest applied to the costs of the following Service Contracts only: Fire Protection, exterminating, water tank cleaning, generator, backflow test and telephone.				
D. All the utilities for the Non-Residential Unit will be either directly metered or sub-metered and billed based on actual usage.				

FOOTNOTES TO SCHEDULE B

(1) **Projected First Year of Condominium Operation**

Amounts are projected on the assumption that the First Year of Condominium Operation will be the year from January 1, 2023 to December 31, 2023. The actual First Year of Condominium Operation may be earlier or later than projected.

If the First Closing does not occur within 12 months after the date set forth in Schedule B for the First Year of Condominium Operation in effect on the date a Purchaser and Sponsor entered into a Purchase Agreement, Sponsor will offer those affected Purchasers only a right to rescind their Purchase Agreement for 15 days from the Presentation Date of the amendment disclosing Sponsor's failure to close within such time frame. Any Purchasers electing rescission will have their Deposits (except for Special Work Funds to the extent used) returned together with any interest earned thereon. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by 6 months or more, Sponsor will amend the Plan to include a revised budget with updated projections. If the Common Charges in the amended budget exceed those in the latest budget set forth in the Plan by 25% or more, Sponsor will, in the amendment disclosing such updated budget, offer all Purchasers the right, for 15 days, to rescind their Purchase Agreements and receive a refund of their Deposits, together with any interest earned thereon (provided, however, that after the Plan has been declared effective and the amendment disclosing the same has been accepted by the Department of Law, a Purchaser who is in default under the Purchase Agreement beyond the expiration of any applicable grace period will not have the right to rescind).

(2) **Common Charges**

These amounts represent the total Common Charges to be levied against, and collected from, the Residential Unit Owners and the Retail Unit Owner during the anticipated First Year of Condominium Operation. The Common Charges will be utilized by the Condominium Board to defray the operational expenses of the Condominium. Except as otherwise set forth herein, the Common Charges have been allocated between the Residential Unit Owners and the Retail Unit Owner based on anticipated usage and benefits derived by such Unit Owners, respectively, and between and among the Unit Owners on the basis of percentage of Common Interest allocated to each Unit. Where the allocation of Common Expenses is not based on percentage of Common Interest, or Common Expenses have been allocated only to certain categories of Units, such circumstances are set forth in the following notes. The Retail Unit Owner will only be obligated to pay its respective allocable share of those expenses that are incurred by the Condominium Board in furnishing services, operating and maintaining those Common Elements which are utilized by and serve the Retail Unit. Those Common Charges that have been allocated on the basis of Common Interest have been allocated on such a basis as follows: Those expenses to be borne by the Residential Unit Owners have been allocated on the basis of the combined percentage of Common Interest of such Residential Units, for a total of 96.2832%. Common Charges to be borne by the Retail Unit has been allocated on the basis of such the Retail Unit's Common Interest of 3.7168%.

The Retail Unit Owner's obligation to pay Common Charges is based upon its percentage of Common Interest in the Building times the projected expenses specific to the Retail Unit as set forth in the budget. As set forth in Schedule B, the Retail Unit Owner is obligated to pay as part of its monthly Common Charges a portion of the following expenses: payroll and related expenses, , repairs and maintenance; service contracts; insurance; management fee; administration; other miscellaneous expenses; and contingency. The Retail Unit Owner are not obligated to pay any part of electricity; gas water and sewer charges; and costs associated with the Resident Manager's Unit since such budget line items exclusively benefit the Residential Unit Owners, and are services which are not fairly attributable to the Retail Unit's use of the Common Elements. Such allocated share of expenses will result in the Residential Unit Owner having to pay either higher (if fewer services are being provided to the Non-Residential Unit) or lower (if greater services are being provided to the Non-Residential Unit) shared expenses of the Condominium. The Common Charges payable by the Non-Residential Unit shall be sufficient to cover the expenses fairly attributable to the Non-Residential.

(3) License Fees for Storage Bins: \$10,116

There are a total of 28 Storage Bins. The Storage Bins are located on the Lobby Level. The Condominium will charge a license fee for the use of the individual Storage Bins. Each Storage Bin Licensee will be charged a monthly License Fee. The Monthly License Fee projected herein are based upon estimated expenses for the twelve (12) month period commencing January 1, 2023. The Residential Common Charges will be offset by the income derived by the Storage Bin Fees in the amount of \$10,116.

The Storage Locker License fee will be subject to increases based on the percentage increase in subsequent budgets approved by the Residential Board or as otherwise as the Residential Board deems necessary in its discretion.

(4) Estimated Expenses

Common Charges include the costs and expenses in connection with the maintenance and operation of, and any alteration to, the Common Elements and the provision of services to all Unit Owners in general, such as service contracts applicable to the Building as a whole, employees who will provide services to the entire Condominium, the Condominium Managing Agent, and insurance coverage for the Common Elements.

(5) Payroll and Related Expenses: \$1,431,777

The Building staff shall consist of:

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

The Non-Residential Unit will utilize the services of the Resident Manager and a Porter. The Non-Residential Unit has been allocated its percentage of Common Interest of the Payroll and Benefit expense related to the Resident Manager and one (1) Porter, and will allocated this expense as part of their Common Charges on a monthly basis.

WAGES AND BENEFITS					
Based on Prevailing Wages and Benefits	Hourly Rate	Weekly Rate	Annual Rate	Number of Employees	Total
Resident Manager (Live-In) (40 Hours Per Week)	\$ 72.12	\$ 2,884.62	\$ 150,000.00	1.0	\$ 150,000.00
Handyman (40 Hours Per Week)	\$ 30.85	\$ 1,234.00	\$ 64,168.00	1.0	\$ 64,168.00
Porters (6 - Full Time Porter - 40 Hours Per Week Each)	\$ 27.27	\$ 1,090.80	\$ 56,721.60	6.0	\$ 340,329.60
Concierge (168 Hours) 24/7 Coverage	\$ 27.27	\$ 1,090.80	\$ 56,721.60	4.0	\$ 226,886.40
Holiday Bonuses					\$ 25,000.00
Subtotal-Wages				12	\$ 806,384.00
Overtime (5% of Base Wages)					\$ 40,319.20
Vacation, Sick & Holidays (11% of Base Wages)					\$ 88,702.24
				Total Wages	\$ 935,405.44
Health Benefits			\$ 30,248.00	12	\$ 362,976.00
Payroll Taxes (See schedule below)					\$ 133,395.12
Total Payroll Taxes and Benefits					\$ 496,371.12
Payroll Taxes		%			
FICA @ 7.65% of Wages		7.65%	\$ 71,558.52		\$ 71,558.52
Worker's Comp @ 5.5% of Wages		5.5%	\$ 51,447.30		\$ 51,447.30
SUI State Unemployment Insurance 4.025% of first \$10,300	\$ 10,300.00	4.0%	\$ 4,974.90		\$ 4,974.90
FUTA Federal Unemployment Insurance 6% of first \$7,000	\$ 7,000.00	6.0%	\$ 5,040.00		\$ 5,040.00
NY SDI \$.60 per week per employee	\$ 31.20		\$ 374.40		\$ 374.40
				Total Payroll Taxes	\$ 133,395.12
Total Wages and Benefits					\$ 1,431,776.56

(6) Gas (Domestic Heat, Hot Water, Generator and Laundry Room): \$662,901

Based on an estimate dated June 29, 2021 by WSP USA, with offices located at One Penn Plaza, New York, NY 10119, it is anticipated that gas for heat, hot water, back-up generator and laundry room will be provided to the Residential Units by natural gas and will cost \$662,901. This estimate is based on a projected usage of 330,541 Therms of gas per year at an anticipated average cost of \$1.91 X 105% per Therm to factor in inflation.

The Non-Residential Unit will be separately metered.

(7) Electricity: \$273,805

Based on an estimate dated June 29, 2021 by WSP USA, with offices located at One Penn Plaza, New York, NY 10119, it is anticipated that light and power for the Common Elements as well as the mechanical equipment will be approximately 1,182,187 KW/HR/YR at an annual cost of \$0.22 X 105% per KW/HR to factor in for inflation. The Retail Unit will be separately metered.

Electricity (including current necessary to operate HVAC Systems) shall be supplied to all Units through a separate Con Edison meter for each such Unit, and the cost of electricity consumed or used in each such Unit or any Residential Limited Common Elements appurtenant thereto shall be payable directly to Con Edison. The Schedule B-1 provides estimates of each Units monthly electrical expense. Please see Schedule B-1 Budget for Individual Unit Energy Costs for additional information.

(8) Water Charges and Sewer Rent: \$231,789

Based on an estimate dated June 29, 2021 by WSP USA, with offices located at One Penn Plaza, New York, NY 10119, it is anticipated that water and sewer charges for the Residential Units and all Common Elements, will be approximately \$231,789 based on a combined rate of \$10.10 per cubic feet of water used X 108% to factor in for inflation. This is based on 23,691,100 cu. ft. of water usage per year.

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

Water charges and sewer rents for the Retail Unit will be separately sub-metered.

(9) Repairs and Maintenance: \$115,000

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

Supplies and Hardware	\$ 70,000
Plumbing	\$ 5,000
Intercom	\$ 2,500
Painting	\$ 5,000
Electrical	\$ 4,000
Window, Lock and Doors	\$ 2,500
Elevator Repairs (Not Covered by Contract)	\$ 6,000
General Repairs	<u>\$ 20,000</u>
Total	\$ 115,000

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

The budgeted amount for Repairs and Maintenance has been allocated to the Retail Unit based on respective Common Interest for window lock and doors and general repairs only.

(10) Service Contracts and Supplies: \$481,000

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

Elevator Maintenance	\$ 60,000
Exterminating	\$ 3,500
Fire Extinguishers	\$ 500
Landscaping	\$ 10,000
Flowers	\$ 15,000

Fire Alarm (Protection)	\$ 7,500
Domestic Water Tank Cleaning	\$ 2,500
Central Station Monitoring	\$ 3,000
Sprinkler	\$ 15,000
Generator	\$ 8,000
HVAC Common	\$ 20,000
Annual Backflow Preventer Test	\$ 3,500
Buildinglink	\$ 7,500
Laundry Room Lease	\$ 6,000
Amenity Operator (Life Guard)	\$ 277,000
Telephone/Cable/Internet	\$ 15,000
Water Treatment	\$ 15,000
Uniforms	<u>\$ 12,000</u>
Total	\$ 481,000

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

The budgeted amount for Service Contracts has been allocated to the Retail Unit based on respective Common Interest for exterminating, fire extinguishers, fire alarm, central station monitoring, sprinkler, generator, BMU, Buildinglink and telephone and uniforms. They will not share in any of the other Service Contract expenses.

(11) Insurance: \$230,000

The insurance premiums are based on a letter dated June 3, 2021 from Genatt V Insurance Solutions, located at 3333 New Hyde Park Road, Suite 400, New Hyde Park, NY 11042. The fire, casualty and general liability are on the terms set therein:

<u>COVERAGES</u>		<u>LIMITS OF LIABILITY</u>
A.	Property (Building Limit)	\$ 151,000,000
	Business Personal Property Limit	\$ 250,000
	Business Income & Extra Expense	\$ 5,000,000
	Demolition and Increased Cost	\$ 2,500,000
	Flood	\$ 5,000,000
	Earthquake	\$ 5,000,000
	Deductibles	
	Water Damage	\$ 100,000
	Earthquake	\$ 50,000

	Flood	\$	50,000
	All Other	\$	25,000
B.	General Liability (General Aggregate)	\$	2,000,000
	Each Occurrence	\$	1,000,000
	Fire Damage Liability Limit	\$	50,000
	Personal and Advertising Injury Limit	\$	1,000,000
	Medical Expense Limit	\$	5,000
	Hired/Non-Owned Auto Liability Limit	\$	1,000,000
	Water Damage Legal Liability	\$	1,000,000
C.	Directors & Officers Liability W/EPL	\$	2,000,000
	D&O Deductible	\$	10,000
D.	Umbrella Liability	\$	50,000,000
	Self-Insured Retention	\$	10,000
E.	Crime		
	Employee Dishonesty Limit	\$	1,000,000
	Deductibles	\$	10,000
F.	Cyber	\$	250,000
	Deductibles	\$	5,000

The total premium for these various coverages is estimated at \$230,000.

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

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

Insurance coverage must meet the requirements of any mortgage lender procured by the Sponsor. Pursuant to the By-Laws, there must be minimum insurance coverage on the Building and the Common Elements in an amount equal to their replacement cost (exclusive of foundation and footings). While the Sponsor has a mortgage outstanding on the Building (or unsold units held by the Sponsor), insurance for the full replacement cost of the Building, Common Elements and building systems including foundations and footings will be required.

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

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

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

Purchasers are also advised that the insurance policies to be maintained by or on behalf of the Board will be on a “replacement cost” basis and will not cover losses to the extent that “market value” of a Unit may exceed its insured replacement cost. Further, as a result of current fluctuations in the insurance market, the Board may not be able to obtain or maintain terrorism coverage if such insurance is not commercially available and reasonably priced. To the extent required by Sponsor’s Lender, the Board will obtain terrorism coverage if such insurance is commercially available and reasonably priced. The cost of such terrorism coverage shall be a Common Expense as described in the Condominium By-Laws. 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. Sponsor is advised that the New York City Flood zone map is being updated by FEMA post-Super Storm Sandy. Consequently, it is difficult to estimate flood related insurance premiums as well as to predict the ultimate flood zone designation of the Building, however if the Building is ever identified as being in a high hazard flood area, or if otherwise required by Sponsor’s Lender, the Condominium Board may be required to obtain flood insurance in the maximum available by the National Flood Insurance Program. If Purchaser’s lender requires any additional flood insurance, Purchaser will be obligated to obtain such supplemental dwelling flood policy at Purchaser’s sole cost and expense.

The proposed insurance provides property coverage on an All Risk/Replacement Cost basis. No coinsurance provisions shall apply. Business Interruption Coverage shall be on an actual loss sustained basis. Note that the building is not in a designated flood zone and unit owners will not need to purchase flood insurance for their units and contents unless such designation changes in the future.

This quotation is an indication of insurance premiums at current rates. Because conditions in the insurance marketplace are volatile, it is not possible to predict what the premiums will be for the First Year of Condominium Operation. Purchasers should be aware of the possibility of rate increases. The insurance is adequate for the replacement of the building in the event of a total loss. The carrier will be selected at the time the coverage is bound. This will occur prior to the First Closing. The agent quoting the proposed insurance is Genatt V Insurance Solutions, located at 3333 New Hyde Park Road, Suite 400, New Hyde Park, NY

11042. Sponsor will procure, on behalf of the Condominium Board, on or before the First Closing, the general liability insurance that is required to be carried by the Condominium.

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

The Sponsor's lender will be added as Mortgagee, Additional Insured on all liability policies and as Lenders Loss Payee on the Property policy. The Flood and Earthquake limits are as stated unless otherwise required by the Sponsor's Lender.

(12) Management Fee: \$70,000

Based on the management agreement to be entered into with FirstService Residential New York, LLC., at or before the First Closing, it is expected that the Condominium Managing Agent will receive an annual fee of \$70,000 for the First Year of Condominium Operations. This fee is commercially reasonable and comparable to management fees for buildings of similar size and quality as the Property. Reference should be made to the Section of the Plan entitled "Management Agreement" in the Offering Plan for further details of the Management Agreement.

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

(13) Legal and Audit: \$20,000

Based upon the estimate set forth in a letter dated June 9, 2021 from Wilkin Guttenplan CPA & Advisors located at 499 Seventh Avenue, 6th Floor, South, New York, NY, 10018, Sponsor has budgeted \$13,000 for estimated auditing and accounting fees in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and federal, state and city income tax returns. The balance of the budgeted amount (\$7,000) 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.

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

(14) Resident Manager's Unit Expense: \$52,842

This item consists of real estate taxes and utility charges for Residential Unit 4G (including electricity, gas, basic telephone service and cable television which will be provided to the Resident Manager without charge) attributable to the Resident Manager's Unit which is anticipated to be acquired by the Residential Section upon or following the conveyance of the first Residential Unit and will thereafter be occupied by the Resident Manager rent free. The expenses attributable to the Resident Manager's Unit will be paid by all Residential Unit Owners as a Residential Common Expense and allocated on the basis of proportionate Common Interest. The estimated monthly expenses are detailed as follows:

Monthly Residential Common Charges	\$1,719
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Monthly Real Estate Taxes	\$1,753
Monthly Parking	\$ 400
Monthly Telephone	\$ 250
Monthly Utility Charges	<u>\$ 282</u>

Monthly Total **\$4,404**

Although Residential Common Charges are imputed to and assessed against the Resident Manager's Unit, no Common Charges will in fact be collected by the Residential Board in respect thereof while the Resident Manager's Units is dedicated or the use of the Resident Manager.

If the Resident Manager's Unit is not ready for occupancy by the first closing, the Sponsor will rent the Resident Manager an apartment to comply with NYC administrative code. The Sponsor will pay the rent for this unit until such time that the Resident Managers Units is habitable. During the period that the Resident Managers Unit is not living in the unit, the Board will be responsible to pay for all expenses associated with this unit.

Sponsor will convey the Resident Manager's Unit to the Condominium Board when the full Purchase Price therefor has been paid. Notwithstanding the foregoing, Sponsor reserves the right, at any time following the First Closing, to convey the Resident Manager's Unit to the Condominium Board notwithstanding the fact that the full Purchase Price therefor may not have been paid at such time, in which case the portion of the Purchase Price not collected as of such time will be payable by a promissory note from the Condominium Board to Sponsor (the "RMU Note"). The RMU Note will be non-interest bearing. The principal balance of the RMU Note will be reduced each time Sponsor conveys a Unit and collects from the Purchaser of such Unit, such Purchaser's proportionate share of the cost to purchase the Resident Manager's Unit. The term of the RMU Note will expire when the full balance due under the RMU Note has been paid to Sponsor. In the event the Condominium Board wishes to convey the Resident Manager's Unit prior to the expiration of the RMU Note, the Condominium Board shall be required to pay the full balance due under the RMU Note to Sponsor and Sponsor shall assign all future payments at closings from purchasers of their proportionate share of the cost to purchase the Resident Manager's Unit to the Condominium Board. As Sponsor controls the sales of Residential Units and thus the Purchaser's proportionate share of the cost of the Resident Manager's Unit paid at each Closing, the Condominium Board can only default under the RMU Note in the event the Condominium Board conveys the Resident Manager's Unit prior to the expiration of the RMU Note and does not pay the full balance to Sponsor. In such event, Sponsor shall be entitled to all remedies at law or equity to recover the balance of the RMU Note.

Until such time that the Resident Manager's unit is conveyed to the Residential Section, the Sponsor will retain the right to charge rent for use and occupancy of the Resident Manager's Unit at a rent equal to or greater than the monthly real estate taxes, common charges and utility charges attributed to unit 4G.

The Common Charges, utility and telephone charges are based upon estimates from the budget expert opinion enclosed herein.

The costs associated with the Resident Managers Unit will be allocated solely to the Residential Unit Owners. See the Special Risk entitled "Resident Manager's Unit" for further details.

(15) **Other Expenses: \$60,011**

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

Office Expense	\$ 1,000
Payroll Processing	\$ 10,000
Other Professional	\$ 3,000
License/Fees/Permits	\$ 1,500
Compliance	\$ 15,000
HPD Unit Subsidy	\$ 22,011
Postage/Messenger/ Copying	\$ 2,500
Holiday Expense	<u>\$ 5,000</u>
Total	\$ 60,011

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

(16) **Contingency: \$40,000**

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

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

(17) **Replacement Reserve \$8,623**

Sponsor anticipates that the Condominium will establish a reserve fund (the “Reserve Fund”) during the first year of Condominium operation. Based upon a study (the “Reserve Fund Study”) dated August 11, 2021, Strategic Inspections, LLC, 150 Main Street, Suite 15, Port Washington, NY 11050, recommended that the Condominium establish a Reserve Fund during the first year of Condominium operation in the total amount of \$111,000.00 (the “Required Reserve Fund Amount”). The Reserve Fund during the first year of Condominium operation will be funded as follows: (a) a portion (the “Condominium Common Charge Replacement Reserves”), in the amount of \$8,623.45, shall be funded through payments of Condominium Common Charges to be made by Condominium Unit Owners; and (b) the balance of the Required Reserve Fund Amount (the “Supplemental Reserves”), in the amount of \$102,376.55, shall be funded from Reserve Fund payments to be collected from Purchasers at the Closing of title to their Units (and any purchaser on any resale of a Condominium Unit) in accordance with the terms of the Plan and the Condominium Documents (the “Reserve Fund Payments”). In the event that, at the end of the first year of Condominium operation, the amounts collected pursuant to the immediately preceding sentence are insufficient for the Condominium to fully fund the Required Reserve

Fund Amount, the Condominium shall supplement the Reserve Fund with an allocation from the Condominium's working capital fund account, and in the event that the funds in the Reserve Fund are then still insufficient to meet the Required Reserve Fund Amount for such first year of operation, Sponsor shall contribute to the Condominium such additional amount as is necessary in order to have the Required Reserve Fund Amount fully funded for such operating year. If the Sponsor does contribute to the Reserve Fund to ensure that the Reserve Fund is fully funded at the end of the budget year, the Sponsor will be refunded all funds they contributed as more closings take place until they are refunded in full for all funds contributed on behalf of the Condominium.

Purchasers are advised that the Reserve Fund Study contemplates contributions to the Condominium's Reserve Fund for at least the first three (3) years of Condominium operation, and that the Reserve Fund in such subsequent years after the first year of Condominium operation may be funded through a combination of Condominium Common Charge Replacement Reserves and Reserve Fund Payments, which may differ from year to year. For so long as Sponsor controls the Condominium Board, Sponsor reserves the right to cause the Condominium Board to increase the amounts budgeted for Condominium Common Charge Replacement Reserves in order to ensure that such amounts together with anticipated Reserve Fund Payments will be sufficient to meet the Reserve Fund Study recommended amounts for such year, all of which may result in increased Condominium Common Charges to Condominium Unit Owners in years subsequent to the first year of Condominium Section operation.

Although the Reserve Fund is intended to be held for periodic maintenance, repair and replacement of the Condominium Common Elements and, as applicable, the Condominium Limited Common Elements, in accordance with the Condominium By-Laws, Sponsor makes no representation that the Condominium Board will hold the monies in the Reserve Fund exclusively therefor. The Condominium Board may use the monies in the Reserve Fund for any purpose, including, but not limited to, as additional working capital. Sponsor makes no guarantee that the Reserve Fund will be sufficient for all capital repairs and replacements within the first (or any subsequent) year of Condominium operation. The funds collected under this line item are for deposit into an account established by the Board of Managers to hold the Replacement Reserve Fund which is to be funded out of Common Charges and used for periodic maintenance, major capital repair and replacements of the Common Elements, in accordance with the By-laws. The Reserve Fund is only to be used to fund capital repairs and replacements. The Reserve Fund will be sufficient to pay for major capital repairs and replacements items likely to be needed within the first five years of condominium operations.

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

(18) **Total Expenses: \$3,779,404**

IN THE OPINION OF FIRSTSERVICE RESIDENTIAL NEW YORK INC., THE PROJECTED INCOME IS ADEQUATE TO MEET THE PROJECTED COMMON EXPENSES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE 12-MONTH PERIOD COMMENCING JANUARY 1, 2023. THE FOREGOING BUDGET, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL COMMON CHARGES OR OTHER INCOME AND EXPENSES FOR SUCH FISCAL YEAR OR ANY SUBSEQUENT YEAR OF OPERATION OF THE PROPERTY WILL BE AS SET FORTH IN THE BUDGET, SINCE THE ANNUAL COMMON CHARGES AND OTHER ITEMS OF INCOME AND EXPENSE MAY VARY FROM AMOUNTS SHOWN IN THE BUDGET BASED ON FACTORS SUCH AS INFLATION, CHANGES IN THE ECONOMY AND UNFORESEEN FACTORS.

Sponsor reserves the right to enter into additional or other service, maintenance, employment, concessionaire and other agreements that will be binding on the Condominium upon commencement of condominium operation. Sponsor shall not, however, enter into any binding service, maintenance, employment, concessionaire or other agreements that will materially increase the first year's projected Common Charges or that will be binding on the Condominium for a period of more than two (2) years, unless the Plan is amended.

H. BUDGET FOR INDIVIDUAL ENERGY COSTS, SCHEDULE B-1



June 29, 2021

Jason Garone
Lehrer Cumming
900 Third Avenue 6th Floor
New York, NY 10022

Re: 250 West 96th Street Condominium
Utility Cost Budget Estimates for First Year of Condominium Operations (Revised June 29, 2021)
WSP Project No. B19.12098.000

Dear Jason:

WSP has prepared utility cost budget estimates for the condominium building to be located at 250 West 96th Street, New York. We understand that the utility budget cost estimates set forth below may be referenced or included in an offering plan to be submitted to the New York State Attorney General in connection with this project. Please note that the utility rates utilized in this budget projection are based on the rates in effect as of June 2021.

1. Natural Gas

Natural gas will be supplied to the condominium building by Consolidated Edison Company (Con Ed), and will be used for the emergency generator, boilers, mechanical equipment and common laundry room. The residential portion of the building will have one gas meter, the mechanical equipment will have its own meter, and the commercial unit will have its own gas meter. The emergency generator will have its own dedicated gas service.

Estimated gas budget for first year of condominium operation - \$631,334

The gas budget is based on the consumption of approximately 330,541 therms of gas for the residential portion of the condominium and the amenities gas load all at a rate of \$1.91 per therm.

2. Electricity

Electricity will be supplied to the condominium building by Con Ed and will be used to operate equipment in the common areas of the building, heating and cooling equipment, elevators, common area and amenity space lighting and power. There will be one main utility electric meter for the entire condominium building and separate electronic sub-meters for each residential unit. Separate utility meters will be provided for each commercial unit.

Estimated electricity budget for first year of condominium operation - \$260,081

The electricity budget is based on the consumption of approximately 1,182,187 kilowatt hours of electricity (KWH) for the residential portion of the condominium at a rate of \$ 0.22 per KWH. No additional budget estimates for electricity is provided in this budget projection for the commercial unit, which will be responsible for its own electrical consumption costs. Further, the estimated electricity budget excludes the electrical consumption in each residential unit, as each residential unit owner will be responsible for its own electrical



Jason Garone
Lehrer Cumming
WSP Project No. B19.12098.000
250 West 96th Street Condominium
June 29, 2021

consumption costs.

3. Water and Sewer

Domestic water will be supplied to the condominium building by New York City. There will be one main utility water meter for the entire condominium building and separate sub-meters for the cooling tower and for the commercial unit.

Estimated water and sewer budget for first year of condominium operation - \$214,619

The water and sewer budget is based on the consumption of approximately 17,720,172 gallons (23,691 100 cubic feet, or "HCF") reflecting projected water usage for the residential units, residential common areas, amenities spaces, and cooling tower make-up water. The budget is based on the current New York City water rate of \$3.90 per HCF and sewer rate of \$6.20 HCF (total combined water and sewer rate of \$ 10.10 per HCF), effective for the period July 1, 2018 onward. The budget estimate includes a credit of approximately \$26,110 relating to the sewer charges for the cooling tower make-up water (estimated at 4,212 HCF and a sewer rate of \$6.20 per HCF).

A portion of the water and sewer budget associated with the cooling tower net cost (estimated at \$16,424 based on 3,150,000 gallons or 4,212 HCF and a water rate of \$3.90 per HCF) is allocable to the commercial unit. An additional 488 HCF is allocated to the Amenities including the pools and amenities fixtures.

If you have any questions, or would like to discuss the above further, please do not hesitate to contact me directly at 212-951-3970 and/or email at Gary.Pomerantz@wsp.com.

Very truly yours,

WSP USA Buildings Inc.

A handwritten signature in black ink, appearing to read 'Gary H. Pomerantz'.

Gary H. Pomerantz P.E LEED AP ®
Executive Vice President

I. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i



FirstService
RESIDENTIAL

PART 20: LETTER TO ATTORNEY GENERAL
RE: REAL PROPERTY LAW SECTION 339-i.1 COMPLIANCE

March 7, 2022

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

Re: Condominium Offering Plan
250 West 96th Street Condominium
250 West 96th Street
New York, New York 10025 (“Property”)

Dear Sir/Madam:

Paragon JV Prop III LLC (“Sponsor”) of the Condominium Offering Plan (“Offering Plan”) for the Property retained FirstService Residential New York, Inc. (“Firm”) to review the percentage of Common Interest in the Common Elements allocated to each Unit in the Property set forth in Schedule A of the Offering Plan.

The Firm is licensed as a real estate brokerage firm in the State of New York. The principals of the Firm have been engaged in the real estate and brokerage business for over twenty-five (25) years and have been actively associated with sale and management of condominium and cooperative buildings.

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

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

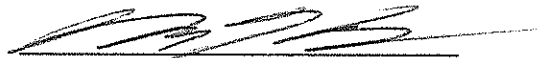
The Firm certifies that it is not owned or controlled by Sponsor and that it has no financial interest in the offering other than its fee for services rendered in connection with the preparation of this letter (and Management of the Premises under the Offering Plan). The Firm understands that a copy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

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

Very truly yours,

FirstService Residential New York, Inc.

By:



Name: Marc Kotler

Title: Senior Vice President
New Development Group

Sworn to before me this
7th day of March, 2022



Notary Public

RACHAEL LAUREN CASASANTA
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01CA6418320
Qualified in New York County
Commission Expires June 7, 2025

J. NON-RESIDENTIAL SECTION

The Condominium will contain one Non-Residential Unit that is initially intended to be used as a retail store. However, the Non-Residential Unit may be used for any legal purpose, except that the following uses: pornography store, massage parlor, drug treatment facility, a video arcade, betting parlor or other gambling related establishment. The Non-Residential Unit may be used for non-retail purposes.

The Non-Residential Unit is located on a portion of the First Floor of the Building.

Except as otherwise noted in the Declaration and By-Laws, the Board will have no right to restrict or limit the method of operation, use or appearance of the Non-Residential Unit which is permitted by Law and applicable zoning ordinances. No rules affecting the operation of the Non-Residential Unit may be adopted or modified by the Board without the consent of the affected Unit Owner. All or any part of the Non-Residential Unit may be leased or subleased by the Non-Residential Unit Owner, all as more fully set forth in the Declaration subject to the restrictions set forth in the preceding paragraphs. Subject to compliance with all applicable Laws and governmental rules and regulations, if any, the Non-Residential Unit may be sold without prior notice to other Unit Owners. The Residential Unit Owners will have no interest in the rents, profits or revenues from the rental or use of any portion of the Non-Residential Unit.

No representation is made with respect to the continued ownership by Sponsor of all or any portion of the Non-Residential Unit or as to who the tenants or occupants of any portion of the Non-Residential Unit may be at any time or as to the uses to which any portion of the Non-Residential Unit may be put at any time (except that the Non-Residential Unit may be used for any lawful purpose or as otherwise limited by the Plan), and no assurance is given that such tenants, occupants or uses will not be objectionable to Residential Unit Owners or other parties.

Each Unit Owner must pay Common Charges to cover the costs of operation and maintenance of the Condominium in accordance with Sections 339-i(1)(iv) and 339-m of the New York Condominium Act. The basis for projecting the share of expenses attributable to the Non-Residential Unit is the Common Interest of such Unit except that, as described below and in the projected "Budget for First Year of Condominium Operation, Schedule B", the allocation of Common Charges attributable to the Non-Residential Unit reflects certain special or exclusive use or availability of particular Common Elements. The Non-Residential Unit Owner shares the costs for insurance, heating, water and sewer, sprinkler, administration and contingency for repairs based upon its Common Interests and share the costs of a portion of other expenses such as the cost for labor and related expenses, capital reserve fund, repairs and maintenance and other miscellaneous office expenses based upon estimated usage. Other costs such as the costs for hot water, gas, service contracts and the passenger elevator contract are not borne at all by the Non-Residential Unit Owner because such utilities and/or services are either separately metered or not used by the Non-Residential Unit Owner.

As set forth in the opinion of FirstService Residential, the Common Charges projected to be payable by the owners of the Non-Residential Unit are sufficient to cover the Common Expenses fairly attributable to those Units. The Declaration and By-Laws authorize the special

allocation and apportionment of profit and expenses or specific expense item based on special or exclusive use or availability or exclusive control of particular Units or Common Elements. Any dispute regarding such allocation or apportionment shall be resolved by arbitration in accordance with Article 11 of the By-Laws.

The Non-Residential Unit Owner has the right to freely sell the Non-Residential Unit, or to freely lease all or part of the Non-Residential Unit, as the case may be, without having to first offer the same for sale or lease to the Board.

Certain easements have been reserved to the Non-Residential Unit Owner and the Sponsor in the Declaration. The Non-Residential Unit Owner and the Sponsor and their successors and assigns to the extent permitted by Law, have an easement to erect, maintain, repair and replace, from time to time, one or more signs on the Property, including but not limited to signs on the facade of the Building and on any awnings, canopies or other protrusions from the facade of the Building, for the purposes of advertising (i) the sale or lease of any of the Unsold Residential Units and all or any portion of the Non-Residential Unit provided, however, that any such signs are in keeping with the first class nature of the Building, and (ii) the operation of any business of a tenant or occupant of all or any portion of any Non-Residential Unit, provided, that such signs are contained within the areas designated by the Sponsor for signs. The Non-Residential Unit Owner and their successors and assigns shall have an easement to erect, maintain, repair and replace from time to time, lights and lighting fixtures on the Common Elements of the Condominium. Although the Non-Residential Unit Owner may have certain rights or obligations in the Declaration which differ from those of the Residential Unit Owners, such rights and obligations will not have a materially adverse impact upon the Condominium.

The Condominium Board, at the request of the Sponsor, will enter into a recognition agreement with any tenant with which Sponsor or its designee or a Non-Residential Unit Owner has entered into a lease for all or any of the Non-Residential Unit so long as there is no uncurable material default under the tenant's lease and such other reasonable terms as the Condominium Board may request. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board will agree that so long as there is no event of default under said lease, as would entitle Sponsor or the Non-Residential Unit Owner or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board's lien on a Non-Residential Unit for Common Charges or any other sums of any sort, and the Board shall agree that the lease shall not be terminated nor shall the tenant's use, possession, or enjoyment of the Non-Residential Unit in question be interfered with, nor shall the leasehold estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of the Non-Residential Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Board or any other party succeeds to the interests of Sponsor under the lease the tenant will agree to be bound to such Board or party under all of the terms, covenants and conditions of the lease and the tenant will attorn to such Board or party as its landlord. Any insurance coverage obtained by the Condominium Board on the Non-Residential Unit is subject to the approval of the owner of the Non-Residential Unit.

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

K. CHANGES IN PRICES AND UNITS

Purchase Prices for all Offered Units are negotiable and Sponsor reserves the right, at any time and from time to time before and after the recording of the Declaration, without giving prior notice (except as otherwise provided herein) and without the consent of the Board, Unit Owner or mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Offered Unit, except that no such change with respect to any Offered Unit for which an Agreement is then in effect may be made without the consent of the Purchaser. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease Purchase Prices or modify other terms of sale without filing an amendment to the Plan at any time during the offering period if such a decrease in the Purchase Price or modification of such other terms of sale does not constitute a general offering or an advertised price but is rather the result of an individually negotiated transaction. If any such change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under the Plan for similar Units, but this will not affect any prior or subsequent sale of Units which are not the subject of such change.

Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of that Purchaser's Agreement, including but not limited to: a decrease in Purchase Price; the amount of the Option Payment; contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; work to be performed in the Unit or the revision of floor plans and the allocation and payment of costs therefor; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; and extensions of time periods within which to perform obligations under the Agreement. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. 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 under an Agreement.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by Law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, (c) designate a General Common Element as part of a newly created Unit or Limited Common Element or designate all or part of a Unit as a newly created Unit, Common Element, Limited Common Element, and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to any of (a) - (d) above, such change shall be disclosed in a duly filed amendment to the Plan. Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of common interest if a Purchase Agreement has been executed and delivered to the Sponsor for

that Unit and the Purchaser is not in default. The Common Interest of a Unit may change if there is a change in the floor space or the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. No material change will be made in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of the Common Elements.

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

It should be noted that as long as the layout and dimensions of a Unit are not insubstantially or materially different than the Unit Plans, a Purchaser will not be excused from purchasing his Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change.

Sponsor will have no liability to any Purchaser, nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for his or her Unit or otherwise be relieved of any obligations under the Agreement, by virtue of a non-material inaccuracy or error in the Floor Plans. With regard to size, such non-material error would mean a decrease of 5% or less or any increase in the size of any Unit or room contained in a Unit. There is a rebuttable presumption that a Unit size that is diminished by 5% or less is not material. Notwithstanding the foregoing, where an Agreement for a Residential Unit has been countersigned by Sponsor and returned to Purchaser, no material change will be made in a Unit's size, layout or proportionate share of aggregate common interest unless (i) the affected Purchaser consents; (ii) the Purchaser is in default beyond all applicable grace and cure periods and has not contested a declaration of default or (iii) the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Law, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where, in the exercise of sound construction management practices, no practicable alternative exists), and in such event covered by this clause (iii), Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least 15 days, to rescind their Agreement(s) and receive a refund of their Payment(s), together with all interest earned thereon. There is a rebuttable presumption that a Unit size that is diminished by 5% or less is not material.

The provisions set forth in this Section shall also apply to Storage Bins, provided, however, that the restriction set forth above with respect to changes to Units relating to increases or decreases of square foot area or Common Interest by more than 5% shall not apply to Storage Bins. Any change to a Storage Bin will not excuse Purchaser from purchasing the Unit. Purchaser will not

have any claim against Sponsor as a result of any such change, and will not affect a Purchaser's obligations under the Option Agreement or the Plan.

No Purchaser will have the right to alter or modify any Storage Bin without the consent of the Condominium Board, which may be granted or withheld in its sole and absolute discretion.

Sponsor shall have the same rights with respect to changes in Storage Bins and the prices therefor as set forth above for Unsold Residential Units, with respect to the Storage Bin Licenses offered under an amendment to this Plan.

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

L. INTERIM OCCUPANCY AGREEMENTS

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right, prior to the date of closing title to a Residential Unit, and after consummation of the Plan, to rent or lease, rather than sell, such Unit to Purchasers and others. As a result, a Purchaser of a Residential Unit may be acquiring a Residential Unit that has been previously occupied or used, but, unless otherwise specifically agreed to in writing by Sponsor and such Purchaser, such Unit will be delivered at the closing vacant and free and clear of all leases, tenancies and rights of occupancy. In addition, because Sponsor reserves the unconditional right to rent or lease Units, there is no commitment to sell more Residential Units than the fifteen percent (15%) of such Units necessary to declare the Plan effective and, accordingly, Residential Unit Owners may never gain effective control and management of the Condominium and/or Residential Section, and the First Annual Residential Meeting may never occur. (See the Sections entitled “Introduction”, “Procedure to Purchase”, and “Rights and Obligations of Sponsor” in Part I of the Plan for further discussion.) However, once an Agreement for a Residential Unit is fully executed and for so long as the Agreement is in effect, such Unit may only be leased to its Purchaser. No Purchaser shall have the right to occupy or use any Unit prior to the closing unless Sponsor agrees to permit such occupancy under an Interim Occupancy Agreement or other written rental agreement.

Interim Occupancy Agreements will not be subject to the New York City Rent Laws (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law, the New York City Rent Stabilization Code, any rent regulatory scheme or code, rule or regulation promulgated under any of the foregoing, or any other rental protection Laws.

If Sponsor agrees to lease a vacant Residential Unit, the lease will be for a rent and upon such other terms and conditions as may be agreed upon by Sponsor and the tenant; provided, however, that in the case of an Interim Occupancy Agreement to a Purchaser, such lease will provide that an uncured default by the Purchaser under the Agreement (that is, a default not cured within 30 days after the sending of written notice thereof) will constitute a default under the lease entitling the landlord (i.e., Sponsor), at its sole option, to immediately terminate such lease whereupon the lessee must vacate the Unit within ten (10) days thereafter. The Agreement will contain a similar provision entitling Sponsor to terminate the Agreement and retain the Option Payment (and any interest thereon) as liquidated damages, and not as a penalty, in the event the Purchaser fails to cure a default under such Purchaser’s lease, if any, within the applicable grace period (if any) and either: (a) Sponsor has obtained an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser or (b) the Purchaser has vacated the Unit. No portion of the rent paid under any lease will be credited towards the Purchase Price of a Unit unless the lease and the Agreement therefor expressly so provide.

In the event of any amendment to the Plan which discloses a material adverse change to the Plan and offers the Purchaser a right to rescind, if a Purchaser who is a tenant under an Interim Occupancy Agreement duly elects to rescind, the Purchaser’s Option Payment will be returned subject to the terms of the Plan and the Interim Occupancy Agreement made with such Purchaser shall be cancelled and possession of the Unit must be surrendered within thirty (30) days thereafter free of all occupants and in broom clean condition. A Purchaser shall be liable to Sponsor for any and all damages, costs and expenses incurred by Sponsor by reason of any failure to vacate within

a 60-day period. If such failure to timely vacate occurs prior to the First Closing, the Purchaser shall be liable for use and occupancy in an amount equal to twice the rent under the Interim Occupancy Agreement. If such failure to vacate occurs after the First Closing, the Purchaser shall be liable for twice the costs of carrying the Unit (such as Common Charges, real estate taxes and the allocable portion, based on such Unit's Common Interest, of debt service on any loan covering the Unsold Units) as calculated by Sponsor. In addition, irrespective of when failure to timely vacate occurs, such Purchaser shall be liable to Sponsor for loss of profit and all costs and expenses incurred by Sponsor to obtain possession of the Unit, including the cost of litigation and reasonable attorneys' fees and expenses. In the event the Plan is abandoned, a Purchaser who has entered into an Interim Occupancy Agreement will have no right to remain in occupancy as a tenant after the abandonment of the Plan.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and rental offices and model apartments for the Building. In the event Sponsor or its designee thereafter elects to sell any such Unsold Units, Sponsor or its designee may require the purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the Purchase Price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Residential Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser of the Residential Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the Purchase Price for such Residential Unit and such items to be included are specifically stated to be included in an addendum to the Agreement for such Unit.

Purchasers are advised that the risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit pursuant to an Interim Occupancy Agreement or written agreement with Sponsor, at which time such risk to the contents of the Unit (but not to any portion of the Unit or Common Elements otherwise insured by Sponsor or the Condominium Board) shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit.

M. PROCEDURE TO PURCHASE

1. General Information

A person desiring to purchase a Unit will be required to execute an Agreement in quadruplicate (i.e., four (4) original copies), which will be in the form set forth in Part II of the Plan.

If a Purchaser has not received the Plan at least three (3) full business days prior to executing an Agreement, then a Purchaser shall have the right to rescind the Agreement within seven (7) days after the date of the Agreement. The Agreement sets forth in detail the terms of sale with respect to each Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between the Plan and the Agreement, the provisions of the Plan shall in all events control except where such provisions were requested by Purchaser and agreed to by Sponsor.

Purchaser's obligation to purchase a Unit pursuant to the Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

A Purchaser shall deliver to Selling Agent, together with the four (4) signed original counterparts of the completed Option Agreement, the following: a completed and signed copy of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by Law (the forms currently required by Law are reproduced as Exhibits 4 and 5 in Part II of this Plan); and the Payment(s) as set forth below. Each Purchaser shall in all events be deemed to represent and warrant that the Payments and all sums deposited by Purchaser pursuant to the Option Agreement are such Purchaser's own funds and that no other party has any right thereto.

The obligations of a Purchaser under an Option Agreement or Storage Bin License Purchase Agreement are not conditioned on obtaining financing. Any prospective Purchaser who executes an Option Agreement and does not obtain financing may lose his or her Payment if he or she is unable to otherwise raise the monies for the balance of the Purchase Price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of an Option Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

Agreements will not be binding on Sponsor until approved and executed by Sponsor, and delivered by Sponsor to the prospective Purchaser even if the Sponsor has deposited the Option Payment. Sponsor will have thirty (30) days after delivery by Purchaser of an executed Agreement and the down payment required thereby, within which to accept or reject such Agreement. Sponsor reserves the right to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by Law.

If an Agreement is not accepted by Sponsor within the aforesaid thirty (30) day

period, the Agreement shall be deemed to have been rejected and canceled and all sums theretofore deposited thereunder, without interest, shall be promptly returned to the prospective Purchaser. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Board, to refuse to approve and execute (a) an Agreement for any Unit, except as prohibited by Law, and (b) an Agreement(s) for more than one Unit to any one person or entity.

The Agreement shall not contain, and shall in no event be modified to contain, a provision waiving the Purchaser's rights or abrogating Sponsor's obligations under the Plan or under Article 23A of the General Business Law of the State of New York.

If there is any conflict between the terms of the Purchase Agreement and the Offering Plan, such conflict will be resolved according to the terms of the Offering Plan.

At the time of execution of an Agreement, a Purchaser is required to make a payment in an amount equal to the sum of ten percent (10%) of the Purchase Price (or 50% of the Purchase Price if the Purchaser has diplomatic immunity) and within one hundred eighty (180) days thereafter, or thirty (30) days after Sponsor serves Purchaser with written notice of an amendment to the Offering Plan declaring the same effective, if it is earlier, an additional five percent (5%) of the Purchase Price (collectively the "Option Payment"). In the event the Purchaser defaults, the Sponsor shall have the right to retain the Option Payment. Agreements entered into after the plan is declared effective will require one Option Payment that is at least 15% of the Purchase Price. All Option Payment checks must be made payable to the direct order of "Holland & Knight LLP, Escrow Agent". All checks delivered in payment of the Option Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Agreement to be canceled and of no further force or effect.

Each prospective Purchaser should note that Sponsor is only obligated to provide the equipment, fixtures and furnishings described in the "Description of Property" set forth in Part II of this Plan. If a person desiring to purchase a Unit requests that Sponsor perform Custom Work on such Unit or provide extra furnishings, including, but not limited to, any deviation from the materials or specifications described in the "Description of Property", and Sponsor agrees to perform such Custom Work and/or provide such furnishings, then a description of such work or furnishings shall be inserted as an addition to the Agreement and Sponsor may require such person to pay for said Custom Work or furnishings in advance together with the cost of removing the Custom Work if the Purchaser fails to close. Any funds received by Sponsor for such Custom Work must initially be placed in the Escrow Account. However, Purchasers should note that such funds may be released from the Escrow Account by Sponsor as long as the Sponsor uses such funds for such Custom Work. As a result, in the event the Purchaser is entitled to rescission, the Purchaser will not receive a refund of any funds used for Custom Work. Notwithstanding the foregoing, if Sponsor abandons the Plan, all such funds received by Sponsor for Custom Work will be returned to Purchasers. Sponsor shall be under no obligation whatsoever to agree to perform any Custom Work or provide extra furnishings for a Purchaser, nor shall Sponsor have any obligation to allow a Purchaser or its agents to perform any Custom Work or install extra furnishings prior to Closing. Any and all special or additional work which a Purchaser desires to

be performed with regard to a Unit shall be done only upon Sponsor's written consent thereto and Sponsor's approval of all contractors and suppliers in connection therewith, which consent and approval are within the sole discretion of Sponsor. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment imply or represent that any Unit will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to Purchaser unless Purchaser agrees to pay Sponsor an amount determined by Sponsor in addition to the Purchase Price for such Unit.

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

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

After the Plan is declared effective, Purchasers will receive at least thirty (30) days' prior notice of the originally scheduled Closing Date and, in the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure, time being of the essence, such default, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date. In the event of any default by Purchaser under his or her Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of default, Sponsor may, at its option, cancel such Agreement and retain the Option Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate. In addition, Sponsor shall also be entitled to retain (i) any amount spent by Sponsor for Custom Work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such Custom Work being performed. Sponsor will fix dates for closing title to all Unsold Units for which Agreements have been executed by serving notice upon each Purchaser setting such Purchaser's Closing Date unless a specific Closing Date is contained in the Agreement.

If a Purchaser fails for any reason to close title to his or her Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit and Storage Bin by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Agreement and this Plan, an amount equal to 0.04% of the Purchase Price of his or her Unit and

Storage Bin for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

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

In order to facilitate the Sponsor's sale of the Residential Units, prior to (a) one (1) year after a Purchaser's closing on its Residential Unit, a Purchaser will not be permitted to sell his or her Unit(s) without obtaining the Sponsor's written approval, and (b) a Purchaser's closing of a Residential Unit, the Purchaser may not (i) list the Residential Unit for resale or lease with any broker or otherwise, or (ii) advertise, promote or publicize the availability of his or her Residential Unit for sale or lease. In the event that Purchaser violates the foregoing prohibition then any sums received by Purchaser in excess of the Purchase Price paid by Purchaser shall be paid to the Sponsor as liquidated damages. In addition, any such sale or lease, listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives shall constitute a default under the Agreement, entitling Sponsor to the remedies set forth therein and any lease or conveyance in violation of the foregoing will be voidable by Sponsor. The above-listed limitations on sale will not be applicable after all Units are sold.

It is anticipated that the First Closing will occur on approximately January 1, 2023. In the event the projected commencement date of Condominium operation is twelve (12) months or later than the anticipated date of the First Closing, Sponsor will offer all Purchasers the right to rescind their Agreements and have their Option Payments refunded to them. In the event that the projected commencement date of Condominium operation is six (6) months later than the anticipated date of the First Closing, the Plan will be amended to include a revised budget disclosing the then current budget projections. If the Common Charges in the revised budget increase by twenty-five (25%) percent or more, Sponsor will offer all Purchasers the right to rescind their Agreements and have their Option Payments refunded to them. Any Purchaser electing rescission will have their Option Payments and any interest earned thereon returned; within thirty (30) days' notice of such election, provided however, that Sponsor may retain any escrow funds expended for Custom Work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed. Rescission need not be offered to any Purchaser who is in default under such Purchaser's Agreement, beyond the expiration of any applicable grace period, provided that Sponsor shall only retain the Option Payment of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2b) and 352-h and the Attorney General's regulations promulgated pursuant thereto as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

At the time of execution of an Agreement, Purchaser is not required to sign a power of attorney to the Condominium Board. Notwithstanding the foregoing, at the closing of title and simultaneously with the delivery of the deed conveying a Unit to Purchaser, Purchaser shall

execute and acknowledge a power of attorney to the Condominium Board and Sponsor substantially in the form set forth in Part II of the Plan.

If the Plan is withdrawn or abandoned, the Option Payment previously paid to and actually collected by Sponsor, together with any interest earned thereon, shall be returned to Purchaser within five (5) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth.

From and after the Closing of each Unit, Purchaser will become obligated for the payment of Common Charges in proportion to the Purchaser's Common Interest, real estate taxes and assessments (including water charges and sewer rents, if separately assessed) and all other expenses with respect to his or her Unit, whether or not he or she has taken possession of his Unit, and whether or not all work required to be performed by Sponsor or anyone else in or to his Unit or the Building has been completed.

The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit prior to Closing, at which time any risk not covered by insurance shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be in its sole discretion) within two (2) months after the date of the occurrence of such fire or casualty, to repair or restore the Unit, the Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit, or, if the casualty occurs after the First Closing and the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Unit Owners and Condominium Board"), the Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, within thirty (30) days' notice of such election, subject to Sponsor's rights to retain certain funds deposited by Purchaser for Custom Work in the Unit, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Agreements are not assignable without the prior written consent of Sponsor, which consent may be granted or denied by Sponsor in its sole discretion.

2. Escrow and Trust Fund Requirements

The Agreement is attached hereto as Exhibit 1 in Part II of the Plan. The relevant escrow trust fund provisions are included in Section 12 of the Agreement, which must be executed by the Escrow Agent.

All Option Payments received by Sponsor under an Agreement, or Storage Bin License will be held in escrow in conformity with the provisions set forth below.

All Option Payments made pursuant to an Agreement are subject to the escrow and trust fund requirements of the State of New York Lien Law Section 71a(3), the General Business Law of the State of New York Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

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

a. Escrow Agent

All Option Payments made by Purchasers prior to the closing of each individual transaction, will be placed, within five (5) business days after the Agreement has been signed by all necessary parties, in a segregated special escrow account of Holland & Knight LLP, the escrow agent for Sponsor and Purchaser (the "Escrow Agent"), whose address is 31 West 52nd Street, New York, New York 10019 and whose telephone number is (212) 513-3308. The attorneys who are signatories on this account authorized to withdraw funds are: Stuart M. Saft, Renee I. Covitt, Joshua Berengarten, Rita Dattola, Neil N. Beaton, Richard A. Crowley, Michael J. Frevola, Sean C. Sheely, Arthur E. Rosenberg, Vincent J. Foley, R. Scott Johnson, Lance Myers and Christopher R. Nolan. All designated signatories are admitted to practice Law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

b. Escrow Account

The Escrow Agent has established a master escrow account at Bank of America (the "Bank") at its branch located at 1401 Elm Street, Dallas, Texas 75283 entitled "Holland & Knight LLP - 250 West 96th Street Condominium, Escrow Account" or similar name (the "Master Escrow Account"). All Option Payments will be placed initially in a non-interest bearing checking portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) in the form set forth in Part II of the Plan or a Form W-8 (Certificate of Foreign Status) in the form set forth in Part II of the Plan,

as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Option Payment and the Agreement. If an Option Payment is accompanied by a completed and signed Form W-9 or Form W-8, the Option Payment will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. The interest rate for all Option Payments transferred to an individual interest bearing sub-escrow savings account shall be the prevailing rate for such accounts, which as of April, 2022 is approximately .001%. Interest shall begin to accrue upon placing the Option Payment into the individual interest bearing sub-escrow savings account. All interest earned thereon shall be paid to Purchaser at Closing. If a Purchaser does not deliver the Form W-9 or Form W-8, the Option Payment will remain in the non-interest bearing checking portion of the Master Escrow Account. No fees of any kind may be deducted from the Master Escrow Account or individual escrow accounts, and Sponsor shall bear all costs associated with the maintenance of the Master Escrow Account and individual escrow accounts. At such time as the Option Payment is released, the Option Payment will be transferred from the individual sub-escrow savings account to the non-interest bearing checking portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank Option Payment insurance to a maximum of \$250,000 per individual deposit. The following are special risks of this offer: (i) if a Purchaser makes an Option Payment in excess of \$250,000 for the purchase of a unit, such Option Payment will not be federally insured in excess of \$250,000; (ii) if Purchaser has accounts at the same bank as the Master Escrow Account Purchaser's Option Payment and the funds in such accounts will not be federally insured in excess of \$250,000 in the aggregate; and (iii) while the Option Payment is in the non-interest bearing checking portion of the Master Escrow Account, the Option Payment may not be fully federally insured even if the Option Payment does not exceed \$250,000. In addition, if Purchaser makes an Option Payment of less than \$250,000 but maintains other accounts at the same bank, those accounts could be used to count toward the \$250,000 limit.

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

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

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

The checking account portion of the Master Escrow Account will not be interest-bearing. The sub-escrow savings account portion of the Master Escrow Account will be interest-bearing. All interest will be credited to Purchaser at such time as: (i) there is a closing under the Agreement, or (ii) Purchaser is entitled to a return of the Option Payment. All interest will be

credited to Sponsor only in the event Purchaser defaults. The interest rate to be earned will be the prevailing rate for these accounts, which varies. Interest will begin to accrue after deposit within: (i) one (1) business day, if the Option Payment is cash or cash equivalent, or (ii) three (3) business days, if the Option Payment is other than cash or cash equivalent, of the transfer of the Option Payment from the checking account portion of the Master Escrow Account into the sub-escrow savings account portion of the Master Escrow Account.

All instruments shall be made payable directly to the order of "Holland & Knight LLP, as Escrow Agent." Endorsed instruments will not be accepted.

In the event a check delivered by a Purchaser fails of collection, the Agreement will be deemed void ab initio (as if the Agreement had never been executed) at the option of Sponsor, who reserves the right to exercise this option in its discretion by written notice to Purchaser given within five (5) business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

c. Notification to Purchaser

Within five (5) business days after the fully executed Agreement has been tendered to Escrow Agent along with the Option Payment, the Escrow Agent shall sign the Agreement and place the Option Payment into the Master Escrow Account. Within ten (10) business days after deposit of the first portion of the Option Payment into the Master Escrow Account, Escrow Agent will notify Purchaser and Sponsor that such funds have been deposited into escrow and will provide the account number and the initial interest rate, if any. Any deposits made for upgrades, extras, or custom work shall be initially deposited into the Master Escrow Account, and released in accordance to the terms of a written agreement between Purchaser and Sponsor.

The Escrow Agent is obligated to send notice to the Purchaser once the Option Payment is placed in the Master Escrow Account. If Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the first portion of the Option Payment, Purchaser may cancel the purchase and rescind so long as the right to rescind is exercised within ninety (90) days after tender of the Agreement and Option Payment to Escrow Agent or may apply to the Attorney General for relief. 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, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Option Payment was timely deposited in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Option Payments and requisite notice was timely mailed to Purchaser.

d. Release of Funds

All Option Payments, except for advances made for upgrades, extras, or custom work received in connection with the 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 Option Payment of a defaulting Purchaser until after consummation of the Plan, as evidenced by acceptance of a post-closing amendment by the New York State Department of Law. Consummation of the Plan does not relieve the Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

Escrow Agent will hold the Option Payment in escrow until otherwise directed:

- (i) pursuant to terms and conditions set forth in the Agreement in Paragraph 12 upon closing of title to the Unit; or
- (ii) in a subsequent writing signed by both Sponsor and Purchaser; or
- (iii) in a final decision by JAMS. See “Dispute Resolution.”

If the Escrow Agent is not directed to release the Option Payment pursuant to paragraphs (i) through (iii) above, and the Escrow Agent receives a request by either party to release the Option Payment, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Option Payment. If the Escrow Agent has not received notice of objection to the release of the Option Payment prior to the expiration of the thirty (30) day period, the Option Payment 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 Option Payment within said thirty (30) day period, the Escrow Agent shall continue to hold the Option Payment until otherwise directed pursuant to paragraphs (i) through (iii) above. Notwithstanding the foregoing, the Escrow Agent shall have the right at any time to deposit the Option Payment 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 will not object to the release of the Option Payment to:

- (a) all Purchasers after an amendment abandoning the Plan is accepted for filing by the Department of Law; or
- (b) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an amendment to the Plan.

Purchaser will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Option Payment to Sponsor in the event Sponsor and Purchaser close title under the Agreement. The Department of Law may perform random reviews and audits of any records involving the Escrow Account to determine compliance with all applicable statutes and regulations.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Option Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Option Payment and continues to act as Escrow Agent. Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the performance or non-performance of

Escrow Agent's duties under Article 12 of the Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of Article 12 of the Agreement or involving gross negligence of Escrow Agent.

Sponsor has agreed to compensate Escrow Agent for services rendered in connection with Escrow Agent's duties under Article 12 of the Agreement, if any. Escrow Agent's fees and disbursements will neither be paid by Sponsor from the Option Payment nor deducted from the Option Payment by any financial institution under any circumstance. Escrow Agent will maintain all records concerning the Master Escrow Account for seven years after the release of funds.

Sponsor may agree to modify the floor plans and finishes of certain Residential Units or to do Custom Work or provide extras to the Residential Units as requested by individual Purchasers as negotiated by Sponsor and Purchaser. Purchaser shall bear the cost of such modification to floor plans and finishes in advance together with the cost of removing the Custom Work if the Purchaser fails to close. 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 used for Custom Work or extras, unless Purchaser is entitled to rescission because of Sponsor's withdrawal or abandonment of the Plan or other acts of Sponsor.

e. Waiver Void

Any provision of any 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 Option Payment in trust is absolutely void. The provisions of the Attorney General's regulations and GBL §§ 352-e(2-b) and 352-h concerning escrow trust funds shall prevail over any conflict or inconsistent provisions in the Agreement, Plan or any amendment thereto.

3. **Date of the First Closing; Closing Notices**

The Sponsor anticipates that the First Closing of a Unit will occur on approximately January 1, 2023. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first Unit (the "First Closing"); or (ii) the projected date of closing of title to the first Unit occurs later than December 31, 2023 unless such delay is caused by a Force Majeure Event, which is twelve months after the projected date for the First Closing, although the actual First Closing may occur prior to January 1, 2023. If the Plan is amended to provide for a later projected date for the First Closing, Purchaser will be entitled to an offer of rescission if the First Closing occurs more than twelve (12) months beyond that amended, later date. In the event of a Force Majeure Event, the date indicated above shall be extended by the time the Force Majeure continues or such longer time pursuant to government order. However, if the First Closing occurs before December 31, 2023, the Sponsor may schedule the closing of title to other Units significantly later than such date. Unless your 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 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.

After this Plan is declared effective, Sponsor shall fix dates for closing title to Units for which Agreements have been fully executed. Sponsor will give each Purchaser not less than thirty (30) days prior written notice of the date, time and place (in the Borough of Manhattan) for the Closing. Purchasers may, but are not required, to waive this thirty (30) day notice. At Closing, such Purchaser shall pay the balance of the Purchase Price stated in the Agreement at Sponsor's option by wire transfer or by unendorsed, personal certified check or by official cashier check.

4. **Default**

In the event a Purchaser fails to close title on the date set for Closing or otherwise fails to perform any other obligation under his or her Agreement, and such default is not cured within 30 days after Sponsor gives written notice to such Purchaser of the default, Sponsor, at its option, on behalf of itself and the Condominium Board, may (i) cancel such Agreement and retain as liquidated damages the Option Payment made by the Purchaser together with all interest earned thereon, it being acknowledged and agreed by Sponsor and each Purchaser that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of such a default by a prospective Purchaser, and that the Option Payment (including all interest) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred and shall be paid by Purchaser to Sponsor as Sponsor's sole and exclusive remedy or (ii) bring an action against the Purchaser for specific performance, in which event, the Purchaser could be compelled by court order to complete the purchase of the Unit. In the event Sponsor elects to cancel the Agreement and retain the Option Payment, all rights, obligations and liabilities of Sponsor and the Purchaser to each other shall cease and terminate and Purchaser shall have no further liability to Sponsor in respect of the Agreement (except for those matters expressly specified therein or herein to survive the termination thereof); however, such Purchaser shall not have any right whatsoever to the return of all or any portion of its Option Payment (or any interest thereon). The payment of the Option Payment (including all interest) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

In the event Sponsor elects not to cancel the Agreement (or Storage Bin License Purchase Agreement) as a result of the failure of the Purchaser to close on the date specified by Sponsor, or if Sponsor approves a request from the Purchaser to adjourn the closing date, then Sponsor may require that: (a) the Purchaser pay Sponsor interest at a rate of 0.04% per day (or such lower daily rate which is the legal limit, if 0.04% per day exceeds the legal limit) on the total Purchase Price, computed from the original closing date until the transaction is actually closed; and (b) all apportionments between Sponsor and the Purchaser be made as of the original closing date; in addition, the Purchaser shall reimburse Sponsor for any additional costs incurred by Sponsor as a result of the Purchaser's delay.

Time is of the essence with respect to the Purchaser's obligation to close title on the date set for closing and to pay, perform or observe all of his or her other obligations under the

Agreement, and to cure a default within 30 days after Sponsor gives written notice to the Purchaser of such default. Therefore, a Purchaser who defaults under his or her Agreement and who does not cure such default within such 30-day period may not be permitted any additional time to cure such default.

As provided in the form of Agreement, which is set forth in Part II of the Plan as Exhibit 1, the following occurrences, among other things, without limitation of any other term or provision thereof or of the Plan, shall constitute an event of default under a Purchaser's Agreement: (a) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; (b) the appointment of a non-bankruptcy trustee or receiver over Purchaser or Purchaser's property, or the filing of an involuntary petition in bankruptcy against Purchaser; or (c) the filing of a judgment or tax lien against Purchaser which Purchaser does not pay or bond within 30 days after the filing thereof.

5. Prohibition Against Advertising, Selling or Leasing

In order to facilitate the Sponsor's sale of the Units, prior to (a) one (1) year after a Purchaser's closing on its Unit, a Purchaser will not be permitted to sell his or her Unit(s) without obtaining the Sponsor's written approval, and (b) a Purchaser's closing of a Unit, the Purchaser may not (i) list the Unit for resale or lease with any broker or otherwise, or (ii) advertise, promote or publicize the availability of his or her Unit for sale or lease. In the event that Purchaser violates the foregoing prohibition then any sums received by Purchaser in excess of the Purchase Price paid by Purchaser shall be paid to the Sponsor as liquidated damages. In addition, any such sale or lease, listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives shall constitute a default under the Agreement, entitling Sponsor to the remedies set forth therein and any lease or conveyance in violation of the foregoing will be voidable by Sponsor. The above-listed limitations on sale will not be applicable after all Units are sold.

6. Risk of Loss

If the Purchaser is or becomes the tenant or occupant of a Unit before the Closing and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss not covered by Sponsor's insurance and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen. Otherwise, the risk of loss to any Unit by fire or other casualty until the closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or other casualty prior to the closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit within two (2) months after the date of the occurrence of such fire or casualty then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if

any, of the Condominium Board, and other Unit Owners, belong entirely to Sponsor.

However, if Sponsor notifies the Purchaser in writing that it does not elect to repair or restore the Unit, or if the Unit Owners entitled to make such determination do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled “Rights and Obligations of the Unit Owners and the Condominium Board” in Part I of the Plan), the Agreement shall be deemed terminated, Sponsor shall return to the Purchaser its entire Option Payment, together with interest earned thereon, within thirty (30) days’ notice of such election, and the parties shall be released and discharged from all rights, obligations and liability under the Agreement and this Plan, except that if the Purchaser is then in default under the Agreement beyond any applicable grace period, Sponsor may retain such Purchaser’s Option Payment(s), together with interest earned thereon.

7. **Financing**

Although a Purchaser may obtain financing from any lending institution or any other source, the Purchaser’s obligation pursuant to an Agreement to purchase a Unit shall not be contingent on the Purchaser obtaining a commitment for financing or actually obtaining financing for such purchase. In other words, a Purchaser shall remain obligated under an Agreement to purchase his or her Unit whether or not he or she is able to obtain financing. Neither Sponsor nor 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 an Agreement. However, prospective Purchasers should be aware that even if a loan commitment is obtained, its term may be limited, and it could expire before the closing date, and Sponsor shall have no liability as a result of any scheduling or adjournment of closing beyond the expiration of a loan commitment.

8. **Transfer Taxes and Mansion Tax**

Under the Option Agreement, Purchaser will be required to pay the New York State Real Estate Transfer Tax applicable to the transaction (the “State Transfer Tax”). The State Transfer Tax as of July 1, 2021 is \$2.00 per \$500, or fractional portion thereof, of the consideration for the Residential Unit transferred at Closing plus an additional \$1.25 per \$500, or fractional portion thereof, of the consideration for the Residential Unit transferred at Closing when the consideration for the entire conveyance is \$3,000,000 or more. As of the date of this Plan, the State of New York imposes no administrative fee with respect to filing New York State Form TP-584 in connection with the State Transfer Tax. However, Purchasers will be obligated to pay any such administrative fee or other filing charge as the State of New York may impose in the future with respect to such filing.

Under the Option Agreement, Purchaser also will be required to pay the New York City Real Property Transfer Tax (the “RPT Tax”) applicable to the transaction and complete the RPT Tax return in connection therewith (the State Transfer Tax and the RPT Tax are referred to in this Plan collectively as the “Transfer Taxes”). The RPT Tax rate currently is 1% of consideration for individual residential cooperative Residential Units priced at \$500,000 or less and 1.425% of consideration for individual residential cooperative Residential Units priced at more

than \$500,000. Purchaser shall also be required to pay the administrative charge for filing the RPT Tax return (and any other administrative fee or filing charges as the City of New York may impose), which currently is in the amount of \$125.

Purchasers are advised that the New York City Department of Finance takes the position that higher, non-residential RPT Tax rates apply if Purchaser purchases more than one Residential Unit. The non-residential rates currently are 1.425% for purchases with a consideration of \$500,000 or less, and 2.625% for purchases with a consideration of more than \$500,000. Purchasers of two (2) or more uncombined Residential Units will be required to pay the RPT Tax at the applicable higher rate.

Without a contract provision making purchasers responsible for payment of the Transfer Taxes, payment of the Transfer Taxes ordinarily is the obligation of a seller. New York City and New York State take the position that where a contract of sale for real property provides, as does the Option Agreement, that the purchaser pays the Transfer Taxes or other costs to Sponsor at Closing, the Purchase Price for the property is that much higher than the amount stated in the contract itself. The State Transfer Tax and the RPT Tax have thus been calculated by New York City and New York State in situations where a purchaser pays the Transfer Taxes, first by computing the RPT Tax and the State Transfer Tax on the Purchase Price listed in the contract of sale or Option Agreement, and then adding this aggregate tax amount to the Purchase Price listed in the contract of sale or Option Agreement, as applicable, to derive a “grossed up” Purchase Price. The RPT Tax and State Transfer Tax have then been recalculated based upon this “grossed up” Purchase Price. However, pursuant to a recent amendment to Section 1404 of the New York State Tax Law, the State Transfer Tax amount will not be included as additional consideration for purposes of calculating the State Transfer Tax. For purposes of calculating the taxes payable, the amounts of, in the case of New York State, the RPT Tax, and in the case of New York City, the RPT Tax and State Transfer Tax, which are the primary obligation of the seller but are paid by Purchaser, will be included in the consideration subject to tax on a “grossed up” basis. Purchasers accordingly will be obligated to pay the RPT Tax and the State Transfer Tax calculated pursuant to this “grossing up” procedure, and also will be obligated to pay the RPT Tax at such higher rate as may be applicable when and if Purchaser is purchasing two or more Residential Unit simultaneously. It is possible a similar gross-up calculation will be imposed for other costs and amounts paid by Purchaser, such as if taxing authorities take the position they would be Sponsor costs absent a contractual provision making them a Purchaser’s obligation. Accordingly, a gross-up calculation will be employed with respect to document preparation and related fees paid to Sponsor’s Counsel by Purchaser as discussed above.

The foregoing discussion is not a representation or warranty that New York State and/or New York City will continue to compute the Transfer Taxes owed them by use of the policies, practices, formulas or rates described above, or that Sponsor will so compute the Transfer Taxes. If the RPT Tax rate and/or State Transfer Tax rate is increased by New York City or New York State on or after the date of this Plan, same shall not give rise to a right of rescission on the part of any Purchaser who has executed an Option Agreement hereunder.

Purchasers are advised that New York State imposes an additional transfer tax upon Purchasers (the “Mansion Tax”), which tax shall be the primary obligation of Purchaser. The

Mansion Tax shall be payable by Purchaser as follows:

<u>Tax Rate</u>	<u>Consideration</u>
1%	\$1 million up to \$2 million
1.25%	\$2 million up to \$3 million
1.5%	\$3 million up to \$5 million
2.25%	\$5 million up to \$10 million
3.25%	\$10 million up to \$15 million
3.5%	\$15 million up to \$20 million
3.75%	\$20 million up to \$25 million
3.9%	Over \$25 million

PURCHASERS ARE FURTHER ADVISED THAT NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE TAKES THE POSITION, THAT FOR PURPOSES OF THE MANSION TAX, CONSIDERATION INCLUDES NOT ONLY THE PURCHASE PRICE FOR THE RESIDENTIAL UNIT LISTED IN THE OPTION AGREEMENT, BUT ALSO THE AGGREGATE OF NYC TRANSFER TAXES PAYABLE BY PURCHASER UNDER THE OPTION AGREEMENT. THUS, FOR INSTANCE, A RESIDENTIAL UNIT PRICED AT \$985,000 UNDER AN OPTION AGREEMENT WHERE A PURCHASER PAYS THE TRANSFER TAXES WOULD SUBJECT THE PURCHASER TO LIABILITY FOR THE MANSION TAX AS THE AGGREGATE OF THE PURCHASE PRICE PLUS THE TRANSFER TAXES EXCEEDS \$1 MILLION.

Purchasers of Residential Units where the consideration (including the Purchase Price itself, plus the aggregate NYC Transfer Taxes and possibly other costs and amounts payable by Purchaser as discussed above) is \$1 million or more, currently will be obligated to pay the Mansion Tax at closing. The foregoing discussion is not a representation or warranty that New York State will continue to compute the Mansion Tax owed to it in accordance with the foregoing policies, practices, formulas or rates. If the Mansion Tax rate is increased by New York State on or after the date of this Plan, same shall not give rise to a right of rescission on the part of any Purchaser who has executed an Option Agreement hereunder.

Purchaser shall also pay any tax in addition to the Transfer Taxes, Mansion Tax and Stamp Tax (e.g., without limitation, a pied-a-terre tax) payable by transferor or transferee at Closing and imposed on the transaction after the date of this Plan by New York City or New York State (“Additional Tax”). Sponsor will amend the Plan to disclose any Additional Tax.

Sponsor’s Counsel will cause the Title Company to file returns for the State Transfer Tax and RPT Tax (and, if applicable, Additional Tax) after Purchaser’s Closing Date, and Purchaser shall pay any administrative and/or service fee(s) charged by the Title Company to make such filings.

9. Unit Owner Power of Attorney

At the Closing and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the Unit Owner Power of Attorney

substantially in the form set forth in Part II of the Plan as Exhibit 6 to: (a) the persons who shall from time to time constitute the Condominium Board, designating such Board as the Purchaser's attorney-in-fact, for the purpose of acquiring or leasing in the name of the Condominium Board or its designee on behalf of all Unit Owners any Unit and to otherwise deal with the Condominium and the Common Elements, all in accordance with the provisions of the Declaration and the By-Laws; and after any such acquisition or leasing of any Unit, to manage, convey, sell, lease, sublease, mortgage or otherwise deal with any such Unit so acquired or leased, as the case may be, all in accordance with the provisions of the Declaration and By-Laws. Failure by any Purchaser to deliver such document at closing shall constitute an event of default under a Purchaser's Agreement, entitling Sponsor to all remedies set forth in such Agreement; and (b) Declarant, for the purpose of amending the Declaration and effectuating the rights granted to Declarant under the Declaration and the By-Laws and this Plan and consenting on behalf of each Unit Owner, as a party in interest, to any declaration or other agreement effecting a merger or division of the zoning lot in which the Property is located, with any other tax lots to form a single zoning lot for the purpose of transferring to or from Sponsor, or its successors or assigns, all or any portion of the Development Rights. Failure by any Purchaser to deliver such document at closing shall constitute an event of default under a Purchaser's Agreement, entitling Sponsor to all remedies set forth in such Agreement.

10. Foreign Missions: Required Notification and Waiver of Diplomatic or Sovereign Immunity

Any Purchaser that is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4305, must notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor will not be bound under any Agreement with a foreign mission unless and until the earlier to occur of: (i) receipt of a notification of approval from the Department of State; or (ii) 60 days after receipt of such Purchaser's notice by the Department of State.

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) shall expressly and voluntarily waive such immunity and consent to any suit action or proceeding arising out of or relating to the Agreement being brought in any state or federal court in the State of New York. Any such purchaser shall designate C.T. Corporation System, having its offices, at the date hereof, at 111 Eighth Avenue, 13th Floor, New York, New York, 10011 as its duly authorized and 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 Agreement.

11. Dispute Arbitration

All disputes between the Sponsor and the Purchaser regarding the Agreement including the return of the Option Payments after a default shall be determined by binding arbitration by JAMS. The Arbitration shall be conducted in accordance with JAMS Streamlined Arbitration Rules and Procedures (the "JAMS Streamlined Rules"). The JAMS Streamlined Arbitration Rules and Procedures may be accessed at: <http://www.jamsadr.com/rules-streamlined->

arbitration.

Within five (5) days of filing a request for arbitration proceeding, JAMS shall send the parties a list of three (3) arbitrator candidates. Each such arbitrator candidate shall have at least ten (10) years New York real estate law experience. Within seven (7) days of service by the parties of the list of names, each party may strike one (1) name and shall rank the remaining arbitrator candidates in order of preference. The remaining arbitrator candidate with the highest composite ranking shall be appointed the Arbitrator. In the event that no arbitrator has the highest composite ranking, the Arbitrator shall be determined by JAMS. The Arbitrator shall be neutral and independent of Sponsor, all of its principals and the Purchaser.

The Arbitration will take place at JAMS headquarters, currently located at 620 Eighth Avenue, New York, New York. If the Unit is located outside of New York County, the arbitration shall take place at a venue within the county in which the Unit is located selected by the Arbitrator.

Sponsor and Purchaser are relinquishing their right to bring suit in court, including the right to trial by jury, concerning disputes over the dispositions of the Payment, except as provided by the rules of arbitration under New York CPLR §7511. There are procedural differences between arbitration and litigation that Purchasers should consider. JAMS may impose a shorter time limits for filing and bringing claims under the JAMS Streamlined Rules than in standard litigation. For example, as of the date hereof, JAMS Streamlined Rules require a response to a notice of claims within seven (7) days, while in New York Supreme Court a respondent has either twenty or thirty days to file an answer, depending on the type of service of process. Discovery powers are less expansive in arbitration than in a traditional court proceeding. The ability of parties to obtain documents, witness statements and other tools of discovery may be limited by the Arbitrator and JAMS Streamlined Rules. New York Law does not authorize any party to an arbitration to file a notice of pendency based on an ongoing arbitration proceeding.

The parties shall bear the costs of their own expenses and witness preparation. The parties shall equally share the costs of the JAMS administrative fees, including the Arbitrator's compensation. At the conclusion of the hearing the Arbitrator shall make his or her determination and shall award to the prevailing party, if any, the costs and attorneys' fees reasonably incurred by the prevailing party in connection with the Arbitration. The prevailing party shall be reimbursed for their share of the JAMS administrative expenses.

The decision of the Arbitrator shall be final and conclusively binding on the parties. An Arbitrator does not have explain their ruling when rendered. There is very limited ability to have a court reverse or modify an arbitration award. See New York CPLR § 7511. In no event shall Sponsor or Purchaser have the right to bring any action in Law or equity to otherwise seek damages or any other relief with respect to this dispute.

In no event shall the Payment be released from escrow until at least ninety (90) days has elapsed from the issuance of the final arbitration award. See CPLR §7511. While arbitration awards are generally final, there are limited possibilities for a party to vacate an award. In the event that a purchaser brings a proceeding pursuant to CPLR §7511 to vacate the award, the

Payment must remain in escrow until that proceeding is finally adjudicated.

Pursuant to New York Civil Practice Law and Rules (“CPLR”) §7511, Escrow Agent shall not release the Payment from escrow until at least ninety (90) days after issuance of the Award. During that 90-day period Purchaser may bring an action pursuant to CPLR §7511 to vacate or modify the Award. During such interim period no statutory interest will accrue (or be deemed to have accrued) on the Payment. Escrow Agent shall continue to hold the Payment funds in escrow until otherwise directed by a final, non-appealable judgment or order of a court of competent jurisdiction directing the disposition of such funds. Motions to enforce an arbitration clause or to confirm or set aside an arbitration award, must be brought in a New York court. In the event the party challenging arbitrator’s award loses the appeal, the losing party will reimburse the winning party all of its costs including legal fees and expenses of the appeal.

12. Sponsor’s Rights if Purchaser Elects Not to Exercise Option or Does Not Comply with the Option Agreement

If (x) Purchaser does not elect to exercise the option granted under the Option Agreement to close on the Residential Unit on the Original Scheduled Closing Date, or (y) when Sponsor tenders the Residential Units and Deed to Purchaser, Purchaser does not then sign any of the necessary purchase documents referred to in this Plan, or (z) Purchaser does not remain in compliance with any of the other terms of the Option Agreement (including, without limitation, the obligation to make any applicable Additional Option Payment), then Sponsor, subject to next succeeding paragraph, shall be entitled to terminate the Option Agreement and retain the Option Payment made thereunder with interest earned thereon, if any. In addition, Sponsor shall be entitled to proceed against Purchaser to recover any applicable Additional Option Payment, and Custom Work Costs and the cost of removing any work done in the Unit at the Purchaser’s request, if not already paid.

Before Sponsor may fully and finally terminate the Option Agreement and keep Purchaser’s Option Payments, Sponsor must first send Purchaser a notice by Federal Express or other reputable overnight courier, by hand delivery or by regular, registered or certified mail, stating that Sponsor intends to terminate the Option Agreement, specifying the reason(s) therefor, and granting Purchaser a period of at least thirty (30) days within which Purchaser may reinstate the Option Agreement. **TIME SHALL BE OF THE ESSENCE WITH RESPECT TO PURCHASER’S OPPORTUNITY TO REINSTATE THE OPTION AGREEMENT WITHIN THE SPECIFIED PERIOD, WHICH SPECIFIED PERIOD SHALL BE AT LEAST THIRTY (30) DAYS. AFTER THE SPECIFIED PERIOD EXPIRES, IF THE OPTION AGREEMENT HAS NOT BEEN REINSTATED, SPONSOR MAY TERMINATE THE OPTION AGREEMENT, RETAIN PURCHASER’S OPTION PAYMENTS AS WELL AS THE PAYMENT FOR CUSTOM WORK, IF APPLICABLE, TOGETHER WITH INTEREST EARNED THEREON (IF ANY), AND SELL THE RESIDENTIAL UNITS TO ANOTHER PURCHASER AS IF THE OPTION AGREEMENT HAD NEVER BEEN ENTERED INTO. HOWEVER, IF THERE IS A DISPUTE OVER THE OPTION PAYMENT PRECEDING (OR SUBSEQUENT TO) DISBURSEMENT OF THE OPTION PAYMENT UPON TERMINATION OF THE OPTION AGREEMENT, NO STATUTORY INTEREST WILL ACCRUE (OR BE DEEMED TO HAVE ACCRUED) ON THE OPTION**

PAYMENT OR OTHER MONIES DEPOSITED BY PURCHASER WHILE DISBURSEMENT OF THE OPTION PAYMENT REMAINS IN DISPUTE.

13. Statute of Limitations to Claim Sponsor Breach of Option Agreement

The Option Agreement provides that Purchaser, as Residential Unit Owner, shall have a maximum of three years from closing of the acquisition of the Unit to bring a claim against Sponsor. This three year period is shorter than the six year statute of limitations for breach of contract contained in New York Civil Practice Law and Rules §213(2). By executing the Option Agreement, Purchaser shall be deemed to have acknowledged and agreed that said three year period maximum is reasonable. Therefore, Purchasers agree that, notwithstanding anything to the contrary set forth in the Plan, the Option Agreement, at Law, in equity, or otherwise, any action or proceeding brought by, through or on behalf of Purchaser against Sponsor, its principals, affiliates or agents, under or related to this Plan or the Option Agreement, or related to the Building or a Purchaser's Unit, to be valid, must be commenced by the earlier to occur of (x) three (3) years, or (y) the expiration of the otherwise applicable statute of limitations, in either case from the date the claim giving rise to such action or proceeding accrues in accordance with applicable Law. See Part I, Section M of the Plan, entitled "Procedure to Purchase" and the Option Agreement itself, for additional information.

14. Financial Crimes Enforcement Network Disclosure

Purchasers are advised that the Director of the Financial Crimes Enforcement Network, U.S. Department of the Treasury ("FinCEN"), has recently extended and expanded an earlier issued Geographic Targeting Order ("Order") that applies to any corporation, partnership, limited liability company, or other similar business entity ("Covered Purchaser") using cash, a cashier's check, certified check, traveler's check or money order in any form, whether wholly or in part, without a bank loan or other similar form of external financing, to purchase a Residential Unit in the Borough of Manhattan from Sponsor for a total price in excess of \$300,000 (a "Covered Transaction"). The Order provides that in the event a Covered Purchaser enters into a Covered Transaction, the Covered Purchaser shall be required to deliver to the Title Company at Closing all documents and information necessary in order for the Title Company to comply with the requirements set forth in the Order, including without limitation the requirement to file a completed FinCEN Form 8300. Any failure by the Covered Purchaser to deliver such documents and information shall be deemed an Event of Default under the Agreement. Purchasers are advised to refer to the text of the Order itself for further details: https://www.fincen.gov/news_room/nr/files/Real_Estate_GTO-NYC.pdf.

15. Delivery of Closing Documents

Each Purchaser's title underwriter must agree (i) to timely submit the Unit Deed, all Transfer Tax forms and checks for payment of such Transfer Taxes required to be submitted to the appropriate governmental authorities for recording and payment in connection with the conveyance of the Unit to Purchaser; and (ii) indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) in the event the title underwriter (or its abstract company) fails to file such Unit Deed and Transfer Tax forms and remit

payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with Law and the requirements of any governmental or quasi-governmental agency. If said title underwriter does not execute an indemnification substantially in the form set forth as Exhibit A to the Agreement in Part II of the Plan, Purchaser must, as more fully set forth in the Agreement, agree to indemnify the Sponsor, its counsel, agents and others for loss, damages, penalties, fines and the like (including attorneys' fees) if its title underwriter (or such title underwriter's abstract company) fails to file such Unit Deed, transfer tax forms and remit payment of the Transfer Taxes required in connection therewith in a timely manner in accordance with Law and the requirements of any governmental or quasi-governmental agency, and pay any such taxes, fines or penalties assessed or charged by any governmental or quasi-governmental agency. (Please refer to the "Closing Costs and Adjustments" Section of Part I of the Plan and a copy of the Agreement set forth as an Exhibit in Part II of the Plan.)

16. **Storage Bins**

The form of the Storage Bin License Agreement to be used for licensing the use of such Storage Bins to individual Unit Owners is included in Part II of this Plan as Exhibit 3. The Storage Bins will range in size from approximately 9 square feet to 35 square feet. The area in which the Storage Bins are located is not climate controlled.

Holders of Storage Bin Licenses, excluding Sponsor with respect to unsold Storage Bin Licenses, will be required to pay a license fee to the Condominium in an amount equal to \$1.50 per square foot per month of such Storage Bin, which amount shall, following the First Closing, be subject to biannual increases based upon the CPI Increase Factor in effect on the date of the First Closing. Further, the license fee is subject to change from time to time as the Board deems necessary in its discretion.

Sponsor reserves the right to offer as many Storage Bin Licenses as it determines in its sole discretion. Sponsor shall offer the Storage Bin Licenses to Purchasers of Residential Units on a first-come, first-served basis until such time as all of the Storage Bin Licenses have been purchased. Sponsor reserves the right to limit the number of Storage Bin Licenses sold to any one Purchaser or to make bulk sales, as it determines in its sole discretion. Storage Bin Licenses will only be sold by Sponsor to Purchasers of Residential Units. Prospective Purchasers will be required to deliver a deposit in the amount of fifteen percentage (15%) of the Purchase Price of the Storage Bin License upon execution of an Agreement as set forth in the Storage Bin License rider to the form of Agreement included in Part II of this Plan.

At or prior to delivery of the Storage Bin License to a Purchaser, Sponsor hereby reserves the right, with or without prior notice to such Purchaser, to substitute the Storage Bin designated in such Purchaser's Agreement (the "Original Storage Bin") or in the Storage Bin rider therefor for an alternate Storage Bin (the "Substituted Storage Bin"), provided that such Substituted Storage Bin is equally sized or larger than the Original Storage Bin and provided further that any monthly license fees payable by such Purchaser to the Condominium in connection with such Substituted Storage Bin are comparable per square foot to those payable in connection with the Original Storage Bin. Any exercise of Sponsor's rights to designate a Substituted Storage Bin shall not result in an increased deposit or Purchase Price due for such Storage Bin License

under the Agreement and shall not afford a Purchaser any abatement in Purchase Price or excuse a Purchaser from its obligations under its Agreement.

Storage Bin Licenses may only be purchased by Purchasers or Owners of Residential Units and may only thereafter be licensed to Owners of Residential Units, except with respect to Sponsor or any holder of Unsold Residential Units. Upon the issuance of a Storage Bin License to a Residential Unit Owner or the transfer of a Storage Bin License to an assignee, such Residential Unit Owner or assignee, as the case may be, shall provide the Managing Agent with a copy of the Storage Bin License Agreement.

Purchasers will not be required to consummate their purchase of use rights with respect to a license simultaneously with their Unit(s)' closing unless a TCO has also been issued for the areas of the Building designated for the Storage Bins. In the event the Storage Bin is not available for conveyance to a Purchaser at the closing of such Purchaser's Residential Unit, all monies paid for the Storage Bin License must be held in escrow by Escrow Agent and may only be released to Sponsor in connection with the conveyance of the Storage Bin to Purchaser.

N. ASSIGNMENT OF PURCHASE AGREEMENTS

An Agreement may not be assigned by the Purchaser thereunder. If a Purchaser desires to assign its rights under an Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by, the Purchaser that differs from the name on the Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), the Purchaser will be required to deliver to Selling Agent or Sponsor's Counsel, four signed assignments of the Agreement (to be prepared by Sponsor's Counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as two (2) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN, as applicable, which must be delivered to the Selling Agent or Sponsor's Counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$1,000 made payable to "Holland & Knight LLP" (for services rendered in connection with the assignment), if the assignment is to an affiliate of the Purchaser or the value of the time involved by Sponsor's counsel if the assignment is to a third party, not less than 20 days prior to the date scheduled for the Purchaser's closing. In the event such fee is not collected prior to the Closing, it is payable at the Closing. In no event will the Purchaser (or its assignee or any added or substituted party) have the right to adjourn or postpone the closing as a result of such change or assignment. Furthermore, if Purchaser is requesting to assign the Agreement to an entity, then the Purchaser shall furnish to Sponsor's Counsel, all organizational documents containing proof that the proposed assignee entity is authorized to assume the Agreement and close on the Unit. Sponsor is not obligated to consent to any such change or assignment and, if Sponsor refuses to consent, the Purchaser will not be excused from his or her obligations under the Agreement; and the prohibition against advertising or listing any Unit(s) for sale or resale with any broker or otherwise advertising, promotion or publicizing the availability of such Unit(s) for sale shall remain in effect.

In connection with the foregoing, if Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, a limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall be considered an assignment and shall be subject to provisions, prohibitions and terms of the Plan concerning assignment, except that a sale of less than 50% of the stock, or in the case of a partnership, limited liability company or other entity, less than 50% of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, "control" shall mean the ownership of 51% or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

O. EFFECTIVE DATE

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 (i.e., purchase agreements signed by bona fide purchasers including investors for at least 15% of the Units (20 Units) offered under the Plan). The Plan must be declared effective when Agreements have been executed by prospective purchasers and accepted by Sponsor with respect to 105 Units or eighty percent (80%) of the Units offered for sale. The Plan may be declared effective at an earlier date, at Sponsor's sole election, when bona fide Agreements (including those executed by investors) have been executed and accepted by Sponsor with respect to fifteen (15%) percent of the Units being offered for sale under the Plan.

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

This Plan will be declared effective either by: (a) personal service of written notice to all purchasers and, within five (5) business days following such notice, an amendment to this Plan confirming that this Plan was declared effective as of the date of such notice will be submitted to the Department of Law, which amendment, upon acceptance for filing, will be delivered to all purchasers; or (b) by duly filed amendment to this Plan. The closing of title with respect to any Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

Notwithstanding the fact that not all Purchasers used for purposes of declaring the Plan effective may actually close title to their Units, if all Agreements used to declare the Plan effective are either rescinded or terminated prior to the date of the First Closing, the Sponsor will re-declare the Plan effective, regardless of whether the Declaration has been recorded.

The Plan may, at the option of Sponsor, be abandoned a) at any time before it is declared effective and b) after it is declared effective in the event of: (1) the existence of one or more title defects affecting any one or more Units or the Property that cannot be removed, cured or complied with or without litigation or for less than one half of one percent of the Total Offering amount; (2) substantial damage to or destruction of the Building (or any portion thereof) by fire or other casualty that cannot be repaired prior to the date set for the First Closing for less than one half of one percent of the Total Offering amount; or (3) a taking of all or part of the Property in condemnation proceedings or by eminent domain.

In the event the Plan is withdrawn or abandoned, the Plan will be abandoned by a duly filed amendment and all Option Payments, together with interest earned thereon and Custom Work

Costs, if any, will be returned to Purchasers within five (5) days following such withdrawal or abandonment. Upon the return of the Option Payments, together with any interest earned thereon, the Agreements will be null and void and Sponsor will have no further obligation or liability to Purchasers under the Plan or the Agreements. Sponsor shall promptly submit an amendment to the Department of Law confirming such abandonment or withdrawal and, in the case of an abandonment, shall file a notice of abandonment on form RS-3 or such other form as the Department of Law may require and explain the reason for the abandonment and disposition of all funds received.

P. TERMS OF SALE

1. Preconditions for Closing

The term “Closing” as used herein refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the Purchase Price for such Unit. After the Plan has been declared effective, Sponsor shall provide Purchasers with at least thirty (30) days’ notice of the scheduled Closing Date. The Closing to each Unit shall be held at the offices of Sponsor’s Counsel, Holland & Knight LLP, 31 West 52nd Street, New York, New York 10019 or at such other place as Sponsor may designate on not less than two (2) business days’ notice prior to the Closing. The Closing to each Unit shall take place only after or concurrently with the following events:

- (i) the Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted;
- (ii) the recording or filing of the Declaration, By-Laws, Floor Plans and engineer’s and tax authority certifications required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law;
- (iii) either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser’s mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;
- (iv) the delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, unless such notice is waived by Purchaser, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor’s agent, prior to Closing;
- (v) the execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor’s acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;
- (vi) the assignment by Sponsor to Purchaser of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in his Unit, and the assignment by Sponsor to the Condominium Board of the right to proceed under any existing assignable warranties covering appliances, equipment or fixtures installed in the General Common Elements, Residential Common Elements or Residential Limited Common Elements, as the case may be.

(Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit);

- (vii) the execution and delivery by Purchaser of the Unit Power of Attorney, the form of which is set forth in Part II of the Plan;
- (viii) if Purchaser has requested title insurance, the issuance to Purchaser (at Purchaser's sole expense) of a policy of title insurance in at least the amount of the Purchase Price of the Unit, insuring that (i) Purchaser has fee title to his or her Unit free and clear of all liens and encumbrances except for (1) Permitted Encumbrances and standard printed exceptions, (2) liens and encumbrances (other than Permitted Encumbrances) to which his or her Unit's title is subject, which have been expressly accepted by Purchaser, and (3) any mortgage and related security documents that Purchaser executes in connection with the financing of the Purchase Price of his or her Unit and (ii) the Condominium has been validly created pursuant to the Condominium Act.

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 described in the Plan and the proposed unit deed and set forth below as Permitted Encumbrances. Title exceptions that will affect the property after closing are described in the Agreement on Exhibit 1. Title exceptions may include any additional state of facts a subsequent survey would show, provided that such additional state of facts does not render title unmarketable.

Title shall be conveyed subject to the following Permitted Encumbrances:

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey of the Building and the Unit would show, or such other items as a personal inspection of the Property would show, provided such facts would not make title to the Unit unmarketable, except as otherwise permitted herein.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Grantee to the Board and other parties, and the Floor Plans; as all of the same may be amended from time to time.
4. Consents by the Grantor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.
5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.

6. Revocability of licenses for vault space, if any, under the sidewalks and streets.
7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Board), except that the Grantor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Grantee shall pay all assessments due from and after the Closing Date.
11. Any declaration or other instrument affecting the Property which the Grantor deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.
12. Any encumbrance as to which Premier Title Agency LLC (or such other New York Board of Title Underwriters member title insurance company which insures the Grantee's title to the Unit) would be willing, in a fee policy issued by it to the Grantee, to insure the Grantee that such encumbrance (1) will not be collected out of the Unit if it is a lien, or (2) will not be enforced against the Unit if it is not a lien, or (3) will not affect the use and maintenance of the Unit.
13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of a Unit for residential purposes.
14. Any lease covering the Unit made from the Grantor to the Grantee, provided the sale is subject to such lease.
15. Any violation against the Property (other than the Unit) which is the obligation of the Condominium Board (not controlled by the Sponsor) or another Unit Owner to correct.
16. Covenants, conditions, easements, agreements of records, etc., as follows:

- (a) Declaration of Zoning Lot Restrictions made by and between 255 West 95th Street Apartment Corp. and 2551 BWY LLC and 2551 BWY II LLC dated October 3, 2017 and recorded on October 16, 2017 under CRFN 2017000379661. (Re: Transfer of Development Rights from Lot 8 to Lot 55).
- (b) Zoning Lot and Development Agreement made by and between 255 West 95th Street Apartment Corp. and 2551 BWY LLC and 2551 BWY II LLC dated October 3, 2017 and recorded on October 16, 2017 under CRFN 2017000379662. (Re: Transfer of Development Rights from Lot 8 to Lot 55).
- (c) Declaration of Zoning Lot Restrictions made by and between 251 West 95th Street Owners Corp. and 2551 BWY LLC and 2551 BWY II LLC dated October 3, 2017 and recorded on October 16, 2017 under CRFN 2017000379665. (Re: Transfer of Development Rights from Lot 10 to Lot 55).
- (d) Zoning Lot Development and Easement Agreement made by and between 251 West 95th Street Owners Corp. and 2551 BWY LLC and 2551 BWY II LLC dated October 3, 2017 and recorded on October 16, 2017 under CRFN 2017000379666. (Re: Transfer of Development Rights from Lot 10 to Lot 55).
- (e) Declaration of Zoning Lot Restrictions made by and between 2551 BWY LLC, 2551 BWY II LLC and Sarah-Marty L.L.C., dated November 28, 2018 and recorded on December 13, 2018 under CRFN 2018000410530. (Creates a single Zoning Lot of Tax Lots 8, 10, 13, 9013 and 55).
- (f) Zoning Lot Development and Easement Agreement made by and between Sarah-Marty L.L.C. and 2551 BWY LLC and 2551 BWY II LLC, dated as of November 28, 2018 and recorded on December 13, 2018 under CRFN 2018000410531. (Re: Transfer of Development Rights from Lot 13 to Lots 55 and 9013).
- (g) Zoning Lot Development Agreement made by Sarah-Marty, L.L.C. dated as of July 20, 2018 and recorded July 26, 2018 as CRFN 2018000247855. (Re: Lots 13 and 9013).
- (h) Terms, Covenants, Conditions and Provisions of the unrecorded lease dated as of May 8, 2000 between 2551 Broadway Co., landlord and Chase Manhattan Bank, tenant. (Affects Parcel 1, Lot 55).
- (i) Regulatory Agreement between Paragon JV Prop III LLC and the County of New York, acting by and through its Department of Housing Preservation and Development dated May 28, 2021 and recorded June 8, 2021 in CRFN 2021000214403.

For information only:

- (a) Zoning Lot Description and Ownership Statement made by Sarah-Marty L.L.C., dated July 20, 2018 and recorded as CRFN 2018000247856). (Affects Lot 9013).
- (b) Zoning Lot Certification recorded as CRFN 2018000249787. (Affects Lot 9013).
- (c) Zoning Lot Certificate filed October 16, 2017 under CRFN 2017000379663. (Affects Lot 55).
- (d) Zoning Lot Certificate filed October 16, 2017 under CRFN 2017000379659. (Affects Lot 55).
- (e) Zoning Lot Certification recorded under CRFN 2018000410528. (Affects Lots 8, 10, 13, 9013 and 55).
- (f) Waiver of Declaration of Zoning Lot Restrictions made by Landesbank Hessen-Thuringrn Girozentrale recorded under CRFN 2011000410529. (Affects Lots 8, 10, 13, 9013 and 55).
- (g) Zoning Lot Description and Ownership Statement recorded under CRFN 2018000410532. (Affects 8, 10, 13, 9013 and 55).
- (h) Zoning Lot Certificate filed February 4, 2020 in CRFN 2020000045246.
- (i) Zoning Lot Description filed February 4, 2020 in CRFN 2020000045247.

Sponsor is not obligated to repair any damage from a casualty or other cause that occurs before the closing of a Purchaser's Unit. If Sponsor elects to repair any such damage, Purchaser's Agreement will remain in full force and effect, Purchaser shall not have the right to reject title or receive a credit against or an abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. If Sponsor notifies Purchaser that it does not elect to repair or restore the Unit, the Agreement shall be deemed canceled and Sponsor shall return to Purchaser all sums deposited by Purchaser under the Agreement, together with interest earned thereon, if any, except if Purchaser is in default under the Agreement, Sponsor shall retain any such sums as and for liquidated damages, within thirty (30) days' notice of such election.

A Closing will take place only concurrently with the issuance of a TCO for a specific Unit until the issuance of a TCO or FCO for the entire Building.

All personal property located within a Unit as of the date the Agreement is executed or located within the Common Elements on the date the Declaration is filed, is not included in the conveyance, unless the Agreement or the Declaration, as the case may be, specifically includes it.

If the construction loan on the Building is not satisfied at or prior to the First Closing, at the First Closing, the Mortgagee will release its lien on the Condominium Unit being conveyed and the Common Elements.

2. **Acceptance of Deed**

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in General Business Law Section 352-e to survive delivery of the deed. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan, provided that if Purchaser finds that Sponsor's improvements have not been completed as described in the Plan then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of incomplete work to be completed in the Unit by Sponsor following the Closing Date, but all such obligations to complete work in the Unit shall cease once the work has been completed. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall provide written notice that such Purchaser wishes to inspect the Unit pursuant to this Paragraph at least ten (10) days prior to Closing and Sponsor shall respond prior to Closing. A Purchaser who fails to inspect such Unit prior to the Closing shall be deemed to have accepted the Unit in good condition and in accordance with the terms of the Plan.

3. **Condition of Unit**

Notwithstanding anything to the contrary set forth above, in no event shall the Sponsor be responsible for any condition resulting from (i) normal wear and tear or natural deterioration or from the normal settling or shifting of the Building; (ii) for defects of an insubstantial nature, such as, without limitation, partial or total death of any trees, shrubs, bushes or other landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking or window sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen tile grouting, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discoloration or shrinkage, slight separation between base and floor, (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, (iv) variations in any floor levels, (v) ceiling imperfections, (vi) minor painting defects, (vii) alignment of bathroom finishes, (viii) air infiltration from windows, (ix) normal plumbing system, heating system and air conditioning system noises, (x) normal floor noises and creaking, (xi) carpet or floor discoloring or stretching, (xii) variations in width, length or tone of wood floor strips, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, which also may result in the warping of the floors (xiii) repair of chips, scratches, mars, breaks or other defects in windows and window sashes, sliding glass doors, shower doors, electrical fixtures and globes, painted surfaces, sinks, tubs, basins, kitchen cabinets and countertops, vanity tops and cabinets, ceramic tile, marble floors, saddles, appliances, woodwork and doors, mirrors, hardware, appliance cabinets and flooring, (xiv) subsequent to the Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts, (xv) cracks or variations in tone, finish or color of any marble used in bathrooms or cracks, variations in tone, finish or color of vanity tops or other marble aggregate

surfaces, (xvi) salting or color variation in exterior colored mortar and deep colored brick, (xvii) ponding and/or controlled drainage on the roof surface, or (xviii) cracks in any pressure treated wood or redwood used or intended for use outside the Building. Prior to Closing, but in no event thereafter, Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Sponsor's obligation for the condition of a Unit is limited to the original purchase of a Unit from the Sponsor. Sponsor shall have no responsibility for any condition in any Unit that is resold by a Purchaser from the Sponsor.

4. Tax-Deferred Exchanges

Sponsor makes no representation or warranty as to whether a Unit will qualify as part of a tax-deferred exchange and Purchasers should rely on their own tax attorney or accountant for that determination. However, the form of Agreement (Exhibit 1 in Part II of the Plan) provides that in the event a Unit is being acquired by a Purchaser as part of a tax-deferred exchange under §1031 of the Internal Revenue Code, Sponsor shall reasonably assist and cooperate in such tax-deferred exchange, provided, however, that: (i) any action taken in connection with such tax-deferred exchange or requested of Sponsor shall not result in any cost, expense or liability on the part of Sponsor or increased risk to Sponsor relating to the transaction (and, among other things, Purchaser acknowledges that a fee may be payable to Sponsor's Counsel in connection with the review of any documentation related to such tax-deferred exchange); (ii) no action or failure on the part of Purchaser (or any other party to such tax-deferred exchange) or cooperation on the part of Sponsor in connection with or related to the tax-deferred exchange will frustrate the purpose of the Agreement or otherwise result in a reduction of Sponsor's rights, remedies and privileges under the Agreement or increase any of Sponsor's obligations or duties under the Agreement or otherwise; and (iii) Sponsor shall not be obligated, as part of such tax-deferred exchange, to convey any property (other than the applicable Unit), acquire any property, or accept any form of payment in respect of any of the amounts due under the Agreement other than as set forth therein or in the Plan. Purchaser shall indemnify, defend and hold Sponsor harmless from and against any and all costs, expenses, fees (including, without limitation, reasonable attorneys' fees and expenses) or liabilities incurred by Sponsor in connection with or resulting from the tax-deferred exchange, and such indemnity shall survive the closing of title to the Unit. Notwithstanding the foregoing, Sponsor makes no representation and expresses no opinion with respect to the applicability of §1031 of the Internal Revenue Code to the purchase or acquisition of any Unit.

5. Risk of Loss

If the Purchaser is or becomes the tenant or occupant of a Unit before the Closing and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss not covered by Sponsor's insurance and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen. Otherwise, the risk of loss to any Unit by fire or other casualty until the closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or

other casualty prior to the closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit within two (2) months after the date of the occurrence of such fire or casualty, then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if any, of the Condominium Board, and other Unit Owners, belong entirely to Sponsor.

However, if Sponsor notifies the Purchaser in writing that it does not elect to repair or restore the Unit, or if the Unit Owners entitled to make such determination do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of the Plan), the Agreement shall be deemed terminated, Sponsor shall return to the Purchaser the entire Option Payment, together with interest earned thereon, and the parties shall be released and discharged from all rights, obligations and liability under the Agreement and this Plan, except that if the Purchaser is then in default under the Agreement beyond any applicable grace period, Sponsor may retain such Purchaser's Option Payment, together with interest earned thereon.

Q. CLOSING COSTS AND ADJUSTMENTS

As more particularly set forth in the Agreement, in addition to Purchaser's own legal fees, Purchaser will pay the closing costs set forth below at the time of the closing of title of the Purchaser's Unit. Recording charges, fees and taxes are based on rates in effect on the date the Plan was prepared and are subject to change without notice.

Purchasers are advised that the Storage Bin License are not mortgageable or insurable for title insurance purposes. Sponsor believes that the Storage Bin License is not subject to the imposition of transfer taxes detailed in this Section. In the event that transfer taxes are imposed on the sale of Storage Bins, payment of such taxes shall be the obligation of Purchaser.

1. Title Insurance.

If Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium for title insurance, which will vary depending upon the Purchase Price of the Unit. Purchasers may use a title insurance company of their choice. If Purchaser elects to obtain fee title insurance the current rates in effect from the Title Insurance Company are:

FEE RATE SCHEDULE FOR INSURANCE UNDER \$1,000,000

<u>FEE AMOUNT</u>	<u>PREMIUM</u>
First \$35,000 or less	\$342.00
From \$35,001 to \$50,000	\$5.39 per Thousand
From \$50,001 to \$100,000	\$4.39 per Thousand
From \$100,001 to \$500,000	\$3.52 per Thousand
From \$500,001 to \$1,000,000	\$3.21 per Thousand

FEE RATE SCHEDULE FOR INSURANCE OVER \$1,000,000

<u>FEE AMOUNT</u>	<u>PREMIUM</u>
First \$35,000 or less	\$382.00
From \$35,001 to \$50,000	\$6.34 per Thousand
From \$50,001 to \$100,000	\$5.16 per Thousand
From \$100,001 to \$500,000	\$4.14 per Thousand
From \$500,001 to \$1,000,000	\$3.78 per Thousand
From \$1,000,001 to \$5,000,000	\$3.48 per Thousand
From \$5,000,001 to \$10,000,000	\$3.09 per Thousand

Mortgage Title insurance rates are outlined on the schedule below.

MORTGAGE RATE SCHEDULE

FEE AMOUNT**PREMIUM**

First \$35,000 or less	\$327.00
From \$35,001 to \$50,000	\$5.27 per Thousand
From \$50,001 to \$100,000	\$4.31 per Thousand
From \$100,001 to \$500,000	\$3.46 per thousand
From \$500,001 to \$1,000,000	\$3.14 per Thousand
From \$1,000,001 to \$5,000,000	\$2.90 per Thousand
From \$5,000,001 to \$10,000,000	\$2.57 per Thousand

Note: Title insurance rates and fees for recording documents are uniform, and will be the same regardless of the title company used.

2. **Recording Charges.**

A fee for recording the Unit deed and Unit power of attorney. The Title Insurance Company charges \$42.00 as a base recording charge plus \$5 per page plus \$40.00 document service charge and charges a mortgage recording fee (if applicable) at a rate of \$42.00 per instrument plus \$5 per page and a \$40.00 document service charge. Each title company establishes its own additional service fees and surcharges in this regard.

3. **Mortgage Tax Credit.**

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

4. **Transfer Taxes.**

Under the Agreement, Purchaser will be required to pay the New York State Real Estate Transfer Tax applicable to the transaction (the “State Transfer Tax”). The State Transfer Tax currently is \$2.00 per \$500, or fractional portion thereof, plus an additional \$1.25 per \$500, or fractional portion thereof, of the consideration for the Residential Unit transferred at Closing when the consideration for the entire conveyance is \$3,000,000 or more. As of the date of this Plan, the State of New York imposes no administrative fee with respect to filing New York State Form TP-584 in connection with the State Transfer Tax. However, Purchasers will be obligated to pay any such administrative fee or other filing charge as the State of New York may impose in the future with respect to such filing.

Under the Agreement, Purchaser also will be required to pay the New York City Real Property Transfer Tax (the “RPT Tax”) applicable to the transaction and complete the RPT Tax return in connection therewith (the State Transfer Tax and the RPT Tax are referred to in this Plan collectively as the “Transfer Taxes”). The RPT Tax rate currently is 1% of consideration for individual Residential Units priced at \$500,000 or less and 1.425% of consideration for individual

Residential Units priced at more than \$500,000. Purchaser shall also be required to pay the administrative charge for filing the RPT Tax return (and any other administrative fee or filing charges as the City of New York may impose), which currently is in the amount of \$125.

Purchasers are advised that the New York City Department of Finance takes the position that higher, commercial RPT Tax rates apply if Purchaser purchases more than one Residential Unit. The commercial rates currently are 1.425% for purchases with a consideration of \$500,000 or less, and 2.625% for purchases with a consideration of more than \$500,000. Purchasers of two (2) or more uncombined Residential Unit will be required to pay the RPT Tax at the applicable higher rate.

Without a contract provision making purchasers responsible for payment of the Transfer Taxes, payment of the Transfer Taxes ordinarily is the obligation of a seller. New York City and New York State take the position that where a contract of sale for real property provides, as does the Agreement, that the purchaser pays the Transfer Taxes, the Purchase Price for the property is that much higher than the amount stated in the contract itself. The State Transfer Tax and the RPT Tax have thus been calculated by New York City and New York State in situations where a purchaser pays the Transfer Taxes, first by computing the RPT Tax and the State Transfer Tax on the Purchase Price listed in the Agreement, and then adding this aggregate tax amount to the Purchase Price listed in the Agreement, as applicable, to derive a “grossed up” Purchase Price. The RPT Tax and State Transfer Tax have been recalculated based upon this “grossed up” Purchase Price. However, pursuant to a recent amendment to Section 1404 of the New York State Tax Law, the State Transfer Tax amount will not be included as additional consideration for purposes of calculating the State Transfer Tax. For purposes of calculating the taxes payable, the amounts of, in the case of New York State, the RPT Tax, and in the case of New York City, the RPT Tax and State Transfer Tax, which are the primary obligation of the seller but are paid by Purchaser, will be included in the consideration subject to tax on a “grossed up” basis. Purchasers accordingly will be obligated to pay the RPT Tax and the State Transfer Tax calculated pursuant to this “grossing up” procedure, and also will be obligated to pay the RPT Tax at such higher rate as may be applicable when and if Purchaser is purchasing two or more Residential Unit simultaneously. It is possible a similar gross-up calculation will be imposed for other costs and amounts paid by Purchaser, such as if taxing authorities take the position they would be Sponsor costs absent a contractual provision making them a Purchaser’s obligation. Accordingly, a gross-up calculation will be employed with respect to document preparation and related fees paid to Sponsor’s Closing Agent by Purchaser as discussed above.

The foregoing discussion is not a representation or warranty that New York State and/or New York City will continue to compute the Transfer Taxes owed them by use of the policies, practices, formulas or rates described above, or that Sponsor will so compute the Transfer Taxes. If the RPT Tax rate and/or State Transfer Tax rate is increased by New York City or New York State on or after the date of this Plan, same shall not give rise to a right of rescission on the part of any Purchaser who has executed an Agreement hereunder.

The steps to compute the tax are:

- (i) Multiply the Purchase Price by the RPT Tax rate to compute the City

tentative tax.

- (ii) Multiply the Purchase Price by the NYS Tax rate to compute the tentative NYS Tax.
- (iii) Add the tentative taxes to the Purchase Price.
- (iv) Multiply the sum of (iii) by the RPT Tax rate to determine the RPT Tax payable.
- (v) Add the tentative tax in (i) to the Purchase Price and multiply the sum by the NYS Tax rate to determine the NYS Tax payable.

Example:

Purchase Price = \$3,200,000.00

- (1) $\$3,200,000 \times 1.425\%$ = \$45,600.00
- (2) $\$3,200,000 \times .65\%$ = \$20,800.00
- (3) $\$3,200,000 + \$66,400.00$ = \$3,266,400.00 (“NYC Tax Adjusted Purchase Price”)
- (4) $\$3,200,000 + \$45,600$ = \$3,245,600.00 (“NYS Tax Adjusted Purchase Price”)
- (5) $\$3,266,400.00 \times 1.425\%$ = \$46,546.20
- (6) $\$3,245,600.00 / (\$500.00 \times \$2.00 + \$500.00 \times \$1.25)$ (rounded up to nearest \$500) = \$21,096.40
- (7) $\$3,245,600.00 \times 1.5\%$ = \$48,684.00 (the “Mansion Tax” – see below)

5. Mansion Tax and New Supplemental Tax.

If the Purchase Price of the Unit is \$1,000,000 or more, the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the “Mansion Tax”, will be payable by Purchaser. The Mansion Tax is 1% of the total consideration of the Unit. Purchase Price and New York City transfer taxes payable by purchaser are added together by NYS Department to arrive at total consideration. Therefore, a residential unit priced at \$985,000, where purchaser pays transfer tax, would subject purchaser to liability for Mansion Tax as the aggregate of price plus tax would exceed \$1,000,000. New York State has also adopted a new supplemental tax in instances when the Purchase Price of the Unit is \$2,000,000 or more. The supplemental tax ranges from 0.25% to 2.9% of the total consideration.

Collectively, the Mansion Tax and new supplemental tax is currently payable by Purchaser as follows:

<u>Tax Rate</u>	<u>Consideration</u>
1%	\$1 million up to \$2 million
1.25%	\$2 million up to \$3 million
1.5%	\$3 million up to \$5 million
2.25%	\$5 million up to \$10 million
3.25%	\$10 million up to \$15 million
3.5%	\$15 million up to \$20 million
3.75%	\$20 million up to \$25 million
3.9%	\$25 million and above

PURCHASERS ARE FURTHER ADVISED THAT NEW YORK STATE DEPARTMENT OF TAXATION AND FINANCE TAKES THE POSITION, THAT FOR PURPOSES OF THE MANSION TAX, CONSIDERATION INCLUDES NOT ONLY THE PURCHASE PRICE FOR THE RESIDENTIAL UNIT LISTED IN THE AGREEMENT, BUT ALSO THE AGGREGATE OF NYC TRANSFER TAXES PAYABLE BY PURCHASER UNDER THE AGREEMENT. THUS, FOR INSTANCE, A RESIDENTIAL UNIT PRICED AT \$985,000 UNDER AN AGREEMENT WHERE A PURCHASER PAYS THE TRANSFER TAXES WOULD SUBJECT THE PURCHASER TO LIABILITY FOR THE MANSION TAX AS THE AGGREGATE OF THE PURCHASE PRICE PLUS THE TRANSFER TAXES EXCEEDS \$1 MILLION.

Purchasers of Residential Units where the consideration (including the Purchase Price itself, plus the aggregate New York City Transfer Taxes and possibly other costs and amounts payable by Purchaser as discussed above) is \$1 million or more, currently will be obligated to pay the Mansion Tax at closing. The foregoing discussion is not a representation or warranty that New York State will continue to compute the Mansion Tax owed to it in accordance with the foregoing policies, practices, formulas or rates. If the Mansion Tax rate is increased by New York State on or after the date of this Plan, same shall not give rise to a right of rescission on the part of any Purchaser who has executed an Agreement hereunder.

Purchaser shall also pay any tax in addition to the Transfer Taxes, Mansion Tax (e.g., without limitation, a pied-a-terre tax) payable by transferor or transferee at Closing and imposed on the transaction after the date of this Plan by New York City or New York State (“Additional Tax”). Sponsor will amend the Plan to disclose any Additional Tax.

6. Closing Fees.

a. The legal fees of Sponsor’s Counsel in the amount of \$4,000.00 plus \$750 if the Purchaser is also purchasing a Storage Bin License due at Closing. All legal costs, fees and expenses charged by the Purchaser’s attorney shall be the sole responsibility of each Purchaser. In addition, Purchaser shall also be responsible for payment of the following fees to Sponsor’s Counsel, in connection with the closing of title to Purchaser’s Unit: If the Purchaser requests the Closing to occur other than at the offices of Sponsor’s Counsel or such other place as Sponsor may

designate in its closing notice and Sponsor consents to such change, an attendance fee of \$500 for each Closing held within Manhattan and \$750 for each Closing held in any borough outside Manhattan. In addition, if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Agreement, or for the addition, deletion or substitution of names on the Agreement, Purchaser shall pay a fee of \$1,000 to Sponsor's Counsel, payable in advance for preparation of an assignment agreement (Purchaser may pay more than one fee pursuant to this paragraph with respect to a single Unit), (iv) if Purchaser obtains mortgage financing, then Purchaser shall pay the Sponsor's Counsel an additional fee of \$750 to defray the additional costs associated therewith, (v) if the closing is adjourned solely due to the fault of Purchaser, the Purchaser will be required to pay Sponsor's Counsel an additional fee of \$1,000 for each adjournment to help defray the cost of preparing for and coordinating the new closing, (vi) \$250 for the preparation of ACRIS transfer documents required by the City of New York, and (viii) Purchaser shall pay Sponsor's counsel the sum of \$600 in connection with the consideration, review and processing of any agreement of exchange or the like which Sponsor is requested to execute in connection with any tax deferred exchange under section 1031 of the Internal Revenue Code, and, (ix) if any custom work is to be done in the Unit, then Purchaser shall pay Sponsor's Counsel an additional fee to defray the additional cost associated therewith for negotiating and preparing the requisite documents on an hourly basis at Sponsor's Counsel customary rates. Purchaser may be required to pay more than one fee pursuant to the preceding provisions of this paragraph with respect to a single unit. At Sponsor's option (in its sole discretion), any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser.

b. Purchasers or any other persons entering into an Interim Occupancy Agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon the execution of the Interim Occupancy Agreement. Such legal fees are estimated to be approximately \$2,500 assuming that the Purchaser's counsel does not negotiate the terms of the Interim Occupancy Agreement. Any fees above \$2,500 will be billed on an hourly basis by Sponsor's Counsel customary rates. In connection with the Closing of a Unit subject to an Interim Occupancy Agreement, all other charges or other fees due under an interim lease shall be adjusted as of midnight of the day preceding the Closing Date to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Occupancy Agreement for any Unit. Please refer to the Sections of the Plan entitled "Closing Costs and Adjustments" and "Interim Occupancy Agreements" for further details.

7. Working Capital Fund and Reserve Fund.

A contribution to the Working Capital Fund and the Reserve Fund each in an amount equal to one (1) months' Common Charges then in effect for the Residential Unit pursuant to the budget in accordance with Schedule A hereto, as the same may be amended from time to time. The contributions are not refundable on sale of the Unit.

8. Common Charges.

In addition to the contribution to the Working Capital Fund by the Purchaser of a Residential Unit as described in paragraph (7) above, Purchaser will pay to the Condominium

Board the Residential Common Charges for the Residential Unit for the first full month following the month in which title closes. If Purchaser 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), Purchaser shall pay to the Condominium Board an amount equal to the Common Charges for such Unit for a period of two (2) years as security for the faithful observance by such Unit Owner of the terms, provisions and conditions of the Residential By-Laws. In the event that such Unit Owner defaults in respect of the terms, provisions and conditions of the Residential By-Laws, the Residential Committee may use, apply, or retain the whole or any part of the security so paid in advance to the extent required for the payment of any Common Charges or any other sum as to which such Unit Owner is in default; and such Unit Owner shall, within thirty (30) days after notice from the Residential Committee, deposit with the Residential Committee the amount so applied or retained so that at the option of the Residential Committee, the applicable Board shall have the full amount of said security on hand at all times.

9. Mortgage and Related Costs.

If Purchaser obtains a mortgage loan, Purchaser will be responsible for the payment of all mortgage recording tax, origination, appraisal and closing costs and other expenses in connection therewith (including legal fees) in amounts determined by governmental authorities and such lender. Currently, the mortgage recording tax for mortgages under \$500,000 is \$2.05 for each \$100 of principal and such tax for mortgages in the amount of \$500,000 or greater is \$2.175 for each \$100 of principal. This tax is reduced for Residential Units in both instances by \$30.00 if the mortgage principal exceeds \$10,000. No representation or warranty is made with respect to the amounts of such closing costs and expenses or the availability or cost of mortgage loans from any sources. As previously stated in paragraph (e) above, if a mortgage tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, such credit will inure solely to the benefit of Sponsor. Accordingly, at Closing, each Purchaser utilizing mortgage financing will pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed and Sponsor will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed.

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

Example: Mandatory Closing Costs

Purchaser will pay the following mandatory Closing costs based on rates in effect in July, 2021 and assuming the Purchase Price is \$3,200,000 and the form of documents in the Part II of this Plan are used (all amounts are approximate and rounded to the nearest whole

dollar).

(1) Fee to record Unit deed (assuming 8 pages + 1 cover page) and Unit Owner's Power of Attorney (assuming 6 pages + 1 cover page) at a rate of \$42 for each instrument plus \$5 per page plus a recording charge for the RP5217 NYC form.	\$289.00
(2) Title insurer's service charge and recording fee to record the Unit deed and Unit Owner's power of attorney	\$80.00 (estimated & approximate)
(3) New York State transfer tax (also called the documentary stamps) at the rate equal to the Adjusted Purchase Price (see Example above) x .65% (rounded up to the nearest \$500)	\$21,231.60
(4) New York City transfer tax (at the rate of 1% of an Adjusted Purchase Price of \$500,000 or less, or at the rate of 1.425% of an Adjusted Purchase Price of more than \$500,000)	\$46,546.20
(5) "Mansion Tax" of 1.5% of the Adjusted Purchase Price (if the Adjusted Purchase Price is \$3,000,000 to \$5,000,000)	\$48,996.00
Total projected mandatory Closing costs:	\$117,142.80* (estimated & approximate)

*Note: This figure does not include the required Working Capital Fund payment or the Reserve Fund Payment each of which equal to one (1) month's projected Common Charges or the Contribution to the Resident Manager's Unit or the legal fee due Sponsor's Counsel. In addition, governmental recording fees may vary from time to time. Additional title company service charges (if any) may also be imposed depending on the title agent or insurer.

Example: Elective Closing Costs

Assuming the purchase of the Unit is financed with a mortgage loan for 80% of the Purchase Price (or \$2,560,000) and both fee and mortgage title insurance are obtained simultaneously for Purchaser and Purchaser's mortgage lender, Purchaser would pay the following projected elective Closing costs based upon rates in effect as of July, 2021 (all amounts are approximate):

(1) Mortgage recording tax (at a rate of 2.05% of the mortgage – if less than \$500,000 – or 2.175% of the mortgage – if \$500,000 or more), minus \$30 and minus .25% payable by the mortgage lender before deducting the statutory credit against the mortgage tax credit payable to Sponsor.	\$49,250.00
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(2) Mortgage recording fee (assuming 20 pages, including 1 cover page) at the rate of \$42 per instrument, \$5 per page, and a \$40 service fee to title company.	\$182.00
(3) Municipal charge to record the mortgage tax credit affidavit.	\$25.00
(4) Premium for fee and mortgage title insurance.	\$14,366.97
(5) Other projected potential mortgage loan costs (assuming: "points" of 1% of mortgage amount, appraisal of \$250, lender's legal fee of \$750, UCC-1 filing fee of \$70 and \$200 allowance for miscellaneous expenses)	\$33,270.00
(6) Allowance for title closer gratuity and contingencies.	<u>\$250.00</u>
Total projected elective closing costs:	\$97,343.97* (estimated and approximate)

*Note: This projection does not include: (a) escrows for real estate taxes, Common Charges or other sums that might be required by Purchaser's mortgage lender, (b) a travel fee to Sponsor's Counsel in the event the Purchaser's lender or its counsel refuses to close at the office of Sponsor's Counsel or (c) a fee to any attorney Purchaser may engage.

Total projected mandatory and elective closing costs: \$214,486.77*

Purchaser's actual Closing costs will be based upon the applicable governmental and title company rates in effect on the Unit Closing Date.

The foregoing projections of mandatory and elective Closing costs are not guaranteed. Although the projections are believed to be reasonable, there are a number of unknown factors (such as the mortgage loan Closing costs, which may vary widely amongst different lenders). As a result, the actual Closing costs may be higher or lower, perhaps substantially, than those projected.

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

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

of the period for which assessed, (b) Common Charges for the month in which title closes and (c) accrued rent and any other charges pursuant to an Interim Occupancy Agreement or use and occupancy agreement, if any, covering Purchaser's Unit. In the event the Units have not been separately assessed for real estate tax purposes the Unit Owners will pay a pro rata share (in the proportion that such Units' Common Interest bears to the aggregate Common Interest of all Units) of all real estate taxes with respect to the Property to the Condominium Board as Common Charges. (Please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). The Condominium Board will pay such taxes either to the Finance Administration of The City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Unit Owner fails to pay his pro rata share as set forth above, the Condominium Board and/or Condominium Board will have a lien on such Unit for non-payment of Common Charges. (See the Section entitled "Rights and Obligations of Unit Owners and the Boards of Managers – Common Charges: Collection and Lien for Non-Payment" for further discussion.) At such time as a Unit is separately assessed and separately billed, its Unit Owner will pay such taxes directly to the taxing authority. Real estate taxes will be included as Common Charges until the Units are separately assessed. Following separate assessment of the Units, the Unit Owners will be reimbursed for any overpayment of taxes, or assessed for an underpayment, as described in the By-Laws.

If a Purchaser fails for any reason to close title to his or her Unit, Storage Bin on the originally scheduled Closing Date, (a) the closing apportionments described above will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Agreement and this Plan, an amount equal to 0.04% of the Purchase Price of his or her Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Except as specifically set out in this Plan, Sponsor must pay all costs and expenses incurred in connection with the promulgation and consummation of this Plan, the creation of the Condominium and the initial sale of Units, including, but not limited to, all selling expenses and commissions payable to Selling Agent for the initial sale of Units pursuant to this Plan, advertising, printing and architects' fees, the fees of Sponsor's attorneys, engineering and appraisal costs and governmental filing fees, whether incurred prior or subsequent to the Effective Date of the Plan, in connection with the obligations of Sponsor (see the Section entitled "Rights and Obligations of Sponsor.")

10. Fees for Delay

If Purchaser is not ready to exercise the option granted under the Agreement and close on the Original Scheduled Closing Date, but ultimately exercises the option and closes thereafter, (i) all adjustments made at the Closing will be made as of the Original Scheduled Closing Date and (ii) Purchaser shall pay to Sponsor (or anyone Sponsor designates) at the Closing, by unendorsed personal certified check or bank check, in either event drawn on a bank that is a member of the New York Clearing House Association, an amount equal to 0.04% per day (or such

lower daily rate which is the legal limit, if 0.04% per day exceeds the legal limit) of the Purchase Price multiplied by the number of days that the Closing is delayed, beginning with (and including) the Original Scheduled Closing Date and ending with (and including) the actual Residential Unit Closing Date. The provisions of this paragraph shall not be applicable if, through no fault of Purchaser, Sponsor adjourns the Residential Unit Closing Date. However, the provisions shall apply to any postponements by Purchaser of Purchaser's exercise of the option, and the Closing, beyond the Original Scheduled Closing Date. Sponsor reserves the right to waive any or all provisions of this paragraph in connection with an Agreement.

11. **Resident Manager's Unit**

In respect of such Resident Manager's Unit, at the closing of title to each Unit, the Purchaser thereof, as a closing cost, will be required to pay on behalf of the Condominium Board such Purchaser's share of the cost of the Resident Manager's Unit determined in accordance with the Common Interest the Unit purchased in proportion to the Common Interest appurtenant to all Residential Units (other than the Resident Manager's Unit) and in the amount more particularly set forth on Schedule A, "Purchase Prices and Related Information" in Part I of the Plan.

12. **Other Fees**

In addition to the foregoing, Purchaser also will be required to pay the fees of all professionals, including attorneys employed or retained by Purchaser, in connection with the purchase of a Residential Unit (and Storage Bin, if applicable). If Purchaser obtains a loan to finance the purchase, Purchaser will be required to pay all fees associated with the loan.

R. RIGHTS AND OBLIGATIONS OF SPONSOR

1. Sponsor's Obligations with Respect to the Building

Subject to the terms and conditions of the Plan, Sponsor shall have the following obligations and all Purchasers upon execution of their respective Agreements will be deemed to have accepted, approved and agreed to abide and be bound by the following: (i) Sponsor will diligently, expeditiously and at its sole cost and expense, perform or cause to be performed such work, and will supply or cause to be supplied all materials, necessary to complete construction of the Building substantially in accordance with the Plans and Specifications. Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of any insubstantial variations from the Plans and Specifications or the description of the Building or a Unit set forth in the Plan. Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment, fixtures and other construction details), provided, however, that: (ii) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equal or better quality or design; and (iii) Sponsor shall not (1) materially change the size or location of the Units, other improvements or Common Elements or (2) make any changes that affect the percentage of common interests or materially adversely affect the value of any Unit to which title has closed or for which an Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change.

There is a rebuttable presumption that an area that is diminished by 5% or less is not material. Notwithstanding the foregoing, any such changes, if material (for example, variations in square footage in excess of 5%), shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. No such change will be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless (i) the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, in good faith, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists), and in such event, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least 15 days, to rescind their Agreement(s) and receive refund(s) of their Option Payment(s), together with all interest earned thereon, (ii) the affected Purchaser consents or (iii) the Purchaser is in default. No material change will be made in the size or location of any Units' other improvements or Common Elements if such changes affect the percentage of Common Interests or materially adversely affect the value of any Unit to which title has closed or for which an Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change. However, as long as the layout and dimensions of a Unit conform substantially to the Plans and Specifications, a Purchaser will not be excused from purchasing a Unit by reason of a minor, non-material deviation or change and will not have any claims against Sponsor as a result thereof. The issuance of a TCO or FCO for the entire Residential Section of the Building shall be deemed presumptive evidence that the construction of such portion of the Building and its appurtenances and all of the Residential Units have been substantially completed in accordance with this Plan and the Plans and Specifications.

Sponsor or its representatives will correct, repair or replace all defects in the construction of the Building and its appurtenances and the Residential Units, or in the installation or operation of any appliances, fixtures or equipment in the same, or will cause the same to be corrected, repaired or replaced, only if such defects are due to improper workmanship or material substantially at variance with the Plans and Specifications, and Sponsor is notified by the Board or the affected Unit Owner in writing of such defect: (i) as to the Common Elements, within six (6) months from the earlier of the issuance of a temporary Certificate of Occupancy for the portion of the Building subject to such defect or the date of substantial completion of the portion(s) of the Common Elements which is claimed to be defective; or (ii) as to any Unit, on or prior to the date of closing for such Unit, except that if any such defect in a Unit can be detected only by occupancy of the Unit, Sponsor will correct such defect if notified in writing by the Unit Owner within six (6) months from the earlier of the closing of title to such Unit or the commencement date of an Interim Occupancy Agreement for such Unit. However, notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen or others are assigned to the Condominium Board or any Unit Owner(s); or for any condition resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building, or for defects of an insubstantial nature, such as, without limitation, partial or total demise of any trees, shrubs, or other landscape improvements, nail pops, ridging on gypsum board/sheet rock walls, lumber shrinkage, doors or windows sticking due to weather, door warpage, scratches in formica or porcelain surfaces, bath and kitchen tile grouting cracks, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discolorations or shrinkages, normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, ceiling imperfections, separation in joints of kitchen tile or wood flooring, warping, cupping or creaking of wood flooring or any nicks, scratches, gouges, imperfections or discolorations thereof, floors out of level, variations in width, length or tone of wood floor strips or other flooring or floor finishes, also, normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, ceiling imperfections, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settling (including, without limitation, concrete or drywall cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or carpet discoloring and stretching; or for paint touch-ups or for repair of chips, mars, breaks or other defects in windows, and window sashes, sliding glass doors, lighting fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, saddles, appliances, woodwork, doors, hardware, flooring and appliance cabinets, salting or color variation in exterior colored mortar and deep colored brick, ponding and/or controlled drainage on the roof surface, or cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. In no event shall Sponsor be liable for special or consequential damages (whether based on negligence, breach of contract, warranty, or

otherwise), it being intended that Sponsor's sole obligations under the Plan shall be to repair or, at Sponsor's option, replace (or cause to be repaired or replaced) any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and Specifications), in accordance with the terms and conditions set forth in this paragraph, provided, however, that nothing contained herein is intended to relieve Sponsor of liability for actual damages resulting from property damage or personal injury arising as a result of negligence of Sponsor or its authorized agents or employees in connection with the transactions contemplated in this Plan.

Sponsor shall not be obligated to correct and will not be liable to any Purchaser as a result of (i) any insubstantial variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in this Plan or (ii) variations from the Plans and Specifications or the description of any portion of the Building or a Unit set forth in this Plan which are neither in violation of applicable Codes, nor require the approval of any governmental authority having jurisdiction, provided such variations are of substantially similar or better quality than as set forth in the Plans and Specifications or description in this Plan. Any such variation affecting the Building which is material will be disclosed in a duly filed amendment to this Plan.

Each Unit and the fixtures and personal property contained therein, are being sold and delivered as described in this Plan, at the time of transfer of title to such Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit shall inspect such Unit prior to the closing date and shall execute at such time an inspection statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that Sponsor's improvements as described in the Plan or in the Agreement for such Unit or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the inspection statement a list of the incomplete work to be completed in the Unit by Sponsor following the closing for such Unit, but all such obligations to complete work in the Unit shall cease once the work has been completed. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement except for work necessary to cure violations and to obtain a FCO or as otherwise provided in the Plan.

Under the present construction schedule, unless delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery and/or the inability to obtain on a timely basis or otherwise, materials or equipment, government restrictions, acts of god or other events beyond its reasonable control, it is anticipated that, except for finishing work to stairways, hallways and other areas of the Building which are not intended for the exclusive use of any one Unit Owner and specialized work, if any, which Sponsor agrees to perform in individual Units at the request of Purchasers, a first TCO could be issued on the Completion Date and the Building will be substantially completed by the Completion Date, subject to Unavoidable Delays. Sponsor, however, makes no warranty or representation as to the date of substantial completion or the issuance of the first TCO. Purchasers should also note that the Units will be completed at differing times over a period that may begin prior to and/or extend significantly beyond such date.

Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for his or her Unit or otherwise be relieved from any obligations under the Agreement in the event the closing of a Unit does not occur on a specific date. In the event that the first year of operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised Budget with current projections and if: (i) such amended budget exceeds the projected Budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the projected first year of operation, then in either case Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Agreements, if the Plan has been declared effective) the right to rescind their Agreements not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Option Payment and any interest accrued thereon returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable Law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of this Plan entitled "Effective Date," no closing of title to any Unit will take place prior to the Plan being declared effective.

During the period when Sponsor is completing construction of the Building, move-ins into the Building may be restricted to certain periods when the elevators and other access to the Building are not being utilized by the construction trades. The TCO may be issued for some but not all of the Residential Units and Sponsor may complete construction of certain Residential Units before others. Purchasers should also note that even if the First Closing occurs on approximately January 1, 2023 (or such other date projected as the date of commencement of operation at the time the 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. Accordingly, Purchasers may not be able to close title to their respective Residential Unit(s) for some period of time after signing their respective Agreements and after the closing of the first Unit. In such a case, provided that the Sponsor is pursuing completion of construction and issuance of a certificate of occupancy and is otherwise in compliance with its obligations under the Plan, a Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of substantial delays and will not be excused from paying the full Purchase Price for the Unit.

Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a 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 Codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("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 a 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 a FCO covering the entire building within two (2) years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that the DOB will issue the FCO within such two year period. 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 shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings.

(i) Furthermore, because Sponsor and the By-Laws of the Condominium may permit Unit Owners to undertake renovations to individual Units prior to the procurement of a FCO, such renovations may cause additional delays in the issuance thereof. Notwithstanding the foregoing, Sponsor and its principal(s) are obligated to procure the FCO.

(ii) Purchasers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A fact sheet on certificates of occupancy is available on its website at http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

(iii) Purchasers should seriously consider negotiating their closings based on a FCO, not a TCO. If purchasing a Unit covered by a TCO, Purchasers should consult a licensed architect or engineer to determine what work has to be done in order for the Building to receive a FCO. Purchasers are advised to visit the Department of Buildings' website for further recommendations when purchasing a Unit that does not have a FCO.

(iv) In the event that a closing takes place prior to the issuance of a FCO for the Unit, Sponsor shall maintain all deposits and funds in the special escrow account required by Section 352-e(2)(b) of the New York General Business Law unless the Sponsor's engineer or architect certifies that a lesser amount will be necessary to complete the work necessary to obtain a FCO for the Unit, in which case the sum exceeding the amount so certified by the Sponsor's engineer or architect may be released from escrow. Alternatively, Sponsor may deposit with the Escrow Agent an unconditional, irrevocable letter of credit or post a surety bond in the amount so certified, in which event same will be reflected by duly filed amendment to the Plan. Any amount held in escrow, in excess of the amount certified as reasonably necessary to complete the work needed to obtain the FCO, can be released from escrow from time to time upon the receipt by Escrow Agent of a request by Sponsor.

(v) Each Unit and the fixtures and personal property contained therein are being sold and delivered as described in this Plan, at the time of transfer of title to such Unit, unless Sponsor and Purchaser otherwise agree. Sponsor will maintain each Unit, and the fixtures and personal property contained therein, up to the time of the transfer of title to the Unit in question. The Purchaser of a Unit shall inspect such Unit prior to the Closing Date and shall

execute at such time an inspection statement acknowledging Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if the Purchaser finds that Sponsor's improvements have not been completed, although such improvements have been substantially completed, then Sponsor and the Purchaser in question will immediately thereafter agree to include on the inspection statement a list of incomplete work to be completed in the Unit by Sponsor following the Closing for the Unit in question but all such obligations to complete work in the Unit shall cease once the work has been completed. The failure of Sponsor to complete such work shall not be a ground for Purchaser delaying the Closing. Sponsor shall have no obligation to complete any work described herein which is not specifically designated on the inspection statement by the Purchaser, except for work necessary to cure violations and to obtain a TCO or FCO. Sponsor shall have no obligation to complete any work described herein which is not specifically designated by the Purchaser on the inspection statement except for work necessary to cure violations and to obtain a FCO or as otherwise provided in the Plan.

(vi) Following the recording of the Declaration, Sponsor will deliver, assign or otherwise grant to the Board, on behalf of all Residential Unit Owners, or the Condominium Board, on behalf of all Unit Owners, as the case may be, the right to proceed under any assignable warranties and other undertakings received by Sponsor from contractors, materialmen or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in the Unit of a Purchaser shall be assigned to such Purchaser on the date of closing of title to his Unit. Purchasers should be aware that warranties vary in length, depending partly on when the appliances, equipment and fixtures covered by such warranties are first installed. Sponsor makes no representation as to which, if any, of the warranties will continue to remain in force upon the Closing Date of any particular Unit provided, however that the warranties for the appliances in each Unit will commence from the date the Unit is first occupied for residency.

Upon Closing a Residential Unit, the Purchaser will receive warranties for the appliances in the Unit. Except as contained on Purchaser's inspection statement Sponsor shall not be obligated to correct, repair, or replace any defects relating to construction of the Units or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor is obligated to construct the Building in accordance with all applicable Laws and the Plans and Specifications as well as the provisions of this Offering Plan. Sponsor shall not be obligated to correct, repair, or replace any and all defects relating to construction of the Residential Units, the General Common Elements, the Residential Common Elements and the Residential Limited Common Elements, or in the installation or operation of any appliances, fixtures, or equipment therein, except as expressly provided in this Plan. Sponsor will not warrant the materials or workmanship of any Unit or any of the Common Elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) is not applicable to this offering because such Law is applicable to units in buildings of five stories or less. However, Sponsor's obligations to construct the premises must be in accordance with all applicable codes and filed Plans and Specifications. Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications (including, without limitation, changing materials, appliances, equipment,

fixtures and other construction details), provided, however, that: (ii) any materials, appliances, equipment and fixtures which Sponsor may substitute shall be similar products of substantially equal or better quality or design; and (iii) Sponsor shall not (1) materially change the size or location of the Units, other improvements or Common Elements or (2) make any changes that affect the percentage of common interests or materially adversely affect the value of any Unit to which title has closed or for which an Agreement has been executed and is in effect, unless all affected Unit Owners and contract vendees consent in writing to such change.

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

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

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

(x) Sponsor shall have the obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Condominium Board and the Unit Owners in any such action or proceeding.

(xi) Following the issuance of a FCO for the Building, Sponsor will deliver to the Condominium Board a complete set of mechanical, electrical and plumbing drawings for the entire Building.

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

(xiii) Sponsor shall have the right, in its sole and absolute discretion, to cause the Board to waive the collection of the Residential Common Charges from Residential Unit Owners for a period of time prior to full occupancy of the Building (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all remaining expenses to operate the Residential Section during the Waiver Period (the "Waiver Period Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the

implementation of such Waiver Period in the amendment to the Plan disclosing the occurrence of the First Closing; (ii) Sponsor shall provide notice to Residential Unit Owners disclosing the expiration of the Waiver Period at least thirty (30) days prior to such expiration and shall subsequently disclose the expiration of the Waiver Period in an amendment to the Plan; (iii) that during any such Waiver Period, Sponsor will timely pay all Waiver Period Operating Costs of the Residential Section, including but not limited to insurance premiums and any reserve fund payments and contingency payments to the extent otherwise included in Schedule B – “Projected Budget for First Year of Condominium Operation”;; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor shall remain obligated to update the budget for the Condominium, as provided in the Condominium Documents.

(xiv) All Operating Expenses paid by Sponsor during the Waiver Period are based on the actual cost of operating the Building and not on estimates set forth in Schedule B – “Projected Budget for First Year of Condominium Operation”. In all instances the Residential Unit Owners will remain responsible for the payment of their allocable share of real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Residential Unit Owners terminate the Waiver Period.

(xv) Sponsor will pay all Common Charges (or as applicable, operating expenses), special assessments and real estate taxes allocated to any Unsold Unit in accordance with the provisions of the By-Laws. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units. Sponsor will fund its financial obligations from proceeds from the sales of offered Units, rental income from Unsold Units, and financing. No bond or other security will be posted by Sponsor with respect to this obligation.

(xvi) Sponsor will initially procure on behalf of the Condominium Board the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By-Laws (see the Section entitled “Rights and Obligations of the Board”) the cost of which insurance has been reflected in the Projected Budget set forth in Schedule B.

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

(xviii) Sponsor is obligated to deliver to the Condominium Board a set of “as-built” plans for the Building and all books of account and records pertaining to the Building’s operation which are in Sponsor’s possession on the First Closing.

(xix) Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer to an investor of ten (10) or more Units or twenty (20%) percent of the Units in the Condominium, whichever is less, in connection with Sponsor’s liquidation of its interest in the Residential Units, 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 this Plan, applicable Law or regulations.

(xx) All representations under the Plan, all obligations pursuant to the GBL and such additional obligations under the Plan which are to be performed subsequent to the Closing of each Unit will survive delivery of the deed.

(xxi) The risk of loss to any Unit by fire or other casualty until the Closing for such Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Unit, at which time any such risk not covered by Sponsor’s insurance shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Unit. In the event of damage or destruction of a Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be made within six (6) months of the casualty, in its sole discretion) to repair or restore the Unit, the Agreement shall continue in full force and effect, and, thereafter, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price for the subject Unit. In such event Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights of the respective Board and other Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Unit, or, if the casualty occurs after the First Closing and the Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled “Rights and Obligations of Unit Owners and Board of Managers”), the Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited thereunder, together with interest earned thereon, if any, within thirty (30) days’ notice of such election, subject to Sponsor’s rights to retain certain funds deposited by Purchaser and expended by Sponsor for Custom Work in the Unit, whereupon the parties to the Agreement shall be released and discharged from all obligations and liability thereunder and under this Plan; provided, however, notwithstanding anything to the contrary herein, if Purchaser is then in default under the Agreement (beyond any applicable grace period), Sponsor shall retain all such sums as and for liquidated damages.

Sponsor will endeavor in good faith to sell all of the Residential Units in a timely manner however, there is no certainty as to the period of time required to sell all of the Residential Units. If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor

sponsor shall be bound by Sponsor's representations regarding its commitment to sell Residential Units. The Sponsor may retain ownership of the Non-Residential Unit and may, decide to rent certain Residential Units from time to time. Therefore, it is likely, but there is no guaranty, that the Residential Unit Owners will obtain control of the Board at the expiration of the Initial Control Period (as such term is defined in the Condominium By-Laws).

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

The foregoing sets forth the entire obligations of Sponsor hereunder and no others shall be implied, except that nothing contained herein shall be deemed to limit the rights of Unit Owners under their respective Agreements or to include any financial limitation on Sponsor's liability for failure to perform its obligations under the Plan. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures other than as set forth in the Plan.

Obligations of Sponsor hereunder shall be enforceable by the Condominium Board on behalf of all Unit Owners. Sponsor shall have no obligation to any Purchaser of a Unit other than the Purchasers to whom Sponsor sold Units. By operation of Law, Sponsor appointed Board Members have a fiduciary duty to the Unit Owners. In addition, obligations of Sponsor shall be enforceable by individual Unit Owners if either: (i) the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of such claim by any Unit Owner to the Condominium Board; or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid ninety(90) day period.

Except as set forth above or as required by Law or governmental regulation, Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. The ability of Sponsor to perform its obligations hereunder will partly depend upon its financial condition at the time it is called upon to perform. No representation can be made that it will be financially able to perform any or all of such obligations. Unless expressly provided to the contrary herein, the obligations of Sponsor under the Plan which are to be performed after closing, shall survive the delivery of the respective Unit deeds. In the event Sponsor is not financially able to perform its obligations under the Plan, sales will cease and the Plan will be amended to offer rescission to purchasers, if any.

Sponsor has not obtained construction financing for the project and does not currently anticipate needing to do so to complete construction, as more fully set forth in the Section of the Plan entitled "Description of the Property and Improvements". In the event Sponsor obtains construction financing, the construction lender may impose requirements regarding the sales by

Sponsor. In the event construction financing is obtained, Sponsor will amend the Plan to disclose the relevant terms of the construction loan agreement. Sponsor anticipates obtaining a FCO for the Building within two (2) years after the First Closing provided, however, that the FCO cannot be obtained until all the Residential Units are completed and the Non-Residential Unit leased and completed. Sponsor will endeavor in good faith to sell all of the Residential Units unless otherwise specified in the Plan.

Notwithstanding anything to the contrary contained in the Plan, the sponsor's obligation, regardless of any limitations in any warranty provided to a Purchaser or the Condominium Board or otherwise set forth in the 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.

2. Alterations of Unsold Units

In order to meet the possible varying demand for number and type of different Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor and its designees reserve the right (except to the extent prohibited by applicable Legal Requirements and subject to the Declaration and By-Laws) at any time and from time to time, before and after the recording of the Declaration, without prior notice and without the consent of the Condominium Board, any Unit Owner or mortgagee, to: (i) make alterations, additions, improvements, replacements and/or repairs whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit(s); (ii) change the use (subject to compliance with all Laws, including, without limitation, the certificate of occupancy for such Unit) or layout of, or number of rooms in, any Unsold Unit(s) from time to time; (iii) change the size and/or number of Unsold Unit(s) by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, converting an Unsold Unit or any portion thereof to a Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating the use of any portion of the Limited Common Elements adjacent or appurtenant thereto (but only to the extent that such Limited Common Elements are not required to be maintained as Limited Common Elements based upon such alterations); (iv) whether in respect of subdivisions or combinations of the Unsold Units or otherwise, designate all or any part of an Unsold Unit or a Common Element as part of a newly created or expanded Unsold Unit or Common Element (v) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interests, provided, however, that after the recording of the Declaration, no change in any Unit's Common Interest will be made without obtaining the prior consent of all Unit Owners affected by such change; and (vi) use any Unsold Unit(s) as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable governmental Laws and regulations as to any such use. Any such change described in subsections (ii) through (v) in the immediately preceding paragraph and additionally any material adverse change in the size or quality of any of the Common Elements shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. Unless all Purchasers consent, no material change will be made in the size and no material adverse change will be made in the quality of Common Elements. In the event of any such change after the Declaration is

recorded, the Declaration and Floor Plans shall each be amended and such amendments duly recorded and disclosed in a duly filed amendment to the Plan.

Notwithstanding the foregoing, no material adverse change will be made in a Unit's size, layout or percentage of Common Interest if an Agreement has been executed by Purchaser and countersigned by Sponsor and returned to the Purchaser, provided that the Purchaser is not in default thereunder, unless (a) the affected Purchaser consents to such changes; or (b) such changes are dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and, in all cases, reasonably necessary due to factors not within Sponsor's reasonable control, and where no practicable alternative (in the exercise of sound construction management practices) exists. In the event material adverse changes are made pursuant to (b) of the immediately preceding sentence which materially and adversely affect the percentage of Common Interest allocable to a Unit or the size or quality of Common Elements, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) who are not otherwise in default under their Agreements, the right, for at least fifteen (15) days after the presentation date, to rescind their Agreement(s) and receive a prompt refund of their Option Payment(s), together with all interest earned thereon.

The Common Interest of a Unit may change if there is a change in the floor space or additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements, for exclusive or shared use and the overall dimensions of a particular Unit.

Furthermore, an initial purchaser of an Unsold Unit shall have the right, without the approval of the Condominium Board, to make any alterations, additions, improvements or repairs in or to such Unit, provided that such purchaser obtains all necessary approvals required by Law, obtains insurance, as required and that Sponsor has consented to the same in writing at or prior to the closing of title to such Unit, which consent Sponsor may withhold or condition in its sole and absolute discretion.

3. **Insurance**

Sponsor will initially procure on behalf of the Condominium Board, to take effect on or before the date of the First Closing, the insurance relating to the Condominium which is required to be maintained by the Condominium Board in accordance with the provisions of the By Laws (see "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I below), the cost of which insurance has been reflected in the Budget set forth as Schedule B in Part I. To the extent any policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Condominium Board for the Condominium in respect of any period following the First Closing, the Condominium Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

4. **Casualty**

If the Purchaser is or becomes the tenant or occupant of a Unit before the Closing

and, before such Closing, the Unit is damaged by casualty or otherwise, such Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside of the Unit or did not result from the acts of such purchaser or other occupants of the Unit or such Purchaser's guests, invitees or workmen. Otherwise, the risk of loss to any Unit by fire or other casualty until the closing of title to such Unit (or an earlier taking of possession by the Purchaser) is assumed by Sponsor, but Sponsor has no obligation or liability to repair or restore any Unit. If a Unit is damaged or destroyed by fire or other casualty prior to the closing of title, but after the signing of an Agreement, and Sponsor gives written notice to the Purchaser of Sponsor's election to repair or restore the Unit, then the Agreement shall continue in full force and effect, and the Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price. Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to the rights, if any, of the Condominium Board, and other Unit Owners, belong entirely to Sponsor.

However, if Sponsor notifies the Purchaser in writing that it does not elect to repair or restore the Unit, or if the Unit Owners entitled to make such determination do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of the Unit Owners and the Condominium Board" in Part I of the Plan), the Agreement shall be deemed terminated, Sponsor shall return to the Purchaser the entire Option Payment, together with interest earned thereon, and the parties shall be released and discharged from all rights, obligations and liability under the Agreement and this Plan, except that if the Purchaser is then in default under the Agreement beyond any applicable grace period, Sponsor may retain such Purchaser's Option Payment, together with interest earned thereon.

5. Dissolution

In the event of the dissolution or liquidation of Sponsor, or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of units in the Condominium, whichever is less, to a single Purchaser, 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 Plan and applicable Legal Requirements.

6. Successors to Sponsor

Sponsor reserves the right to sell ten (10) or more Units twenty percent (20%) or more of the total number of units in the Condominium and to designate the purchaser of such block(s) of Units as a "sponsor" under this Plan. The party so designated as a "sponsor" or "sponsor-designee" will have those additional rights and obligations (including the obligation to comply with all applicable Legal Requirements) applicable to a "sponsor" or "sponsor-designee" as more fully described in the Plan including the assumption of the status and all of the obligations of Sponsor for those Units under this Plan, applicable Laws or regulations.

7. **Reservation of Air and Development Rights**

As further described in the Declaration and By-Laws, all excess air or developmental rights (collectively, the “Development Rights”) otherwise appurtenant to the Property both (a) prior to the First Closing, in connection with any renovation work to be performed by Sponsor at the Building; and (b) subsequent to the First Closing, not used in connection with any renovation of the Building prior to the First Closing will be allocated to the Development Rights Unit (“Development Rights Unit”), which will initially be owned by an affiliate of Sponsor. As a result, unless Development Rights are separately acquired therefor on behalf of the Building or a Residential Unit Owner, as the case may be, any future expansion of the Building by the Condominium Board or of a Residential Unit by any Residential Unit Owner as may otherwise be permitted pursuant to any applicable Legal Requirements and otherwise, may not be possible or may be limited. Further, the Development Rights Unit Owner, as a result of such reservation, may transfer or sell such Development Rights to the owner(s) of adjoining properties and in such case such properties may be increased in size as a result of such transfer or sale. There currently are Development Rights appurtenant to the Property, however the Development Rights will not be used to add additional floors to the top of the Building or to physically expand the Building. There is currently 14,150 zoning square feet of floor area available for any future development on Block 597, Lots 7, 32 and 33. Of that, 200 zoning square feet can only be used for Lots 32 and 33. Note the Building is located on Lot 7.

The Development Rights will not be used subsequent to the First Closing to add additional floors to the top of the Building. Except in the case of a sale or transfer for use in connection with other properties, the reserved Development Rights will be used in the Property after the First Closing solely for the purpose of reconfiguring certain areas (e.g., adding mezzanine space, converting mechanical space to space used for other purposes) which, pursuant to the applicable provision of the Zoning Resolution, will require the use of Development Rights in excess of those used in connection with any renovation of the Building in accordance with the Plan. In the event such Development Rights are transferred to the owner(s) of adjoining properties, a Residential Unit Owner’s views and exposure to light may be affected.

8. **Right of Access**

Sponsor and its contractors, subcontractors, agents and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor’s obligations under the Plan, performing certain alterations and repairs in or about the Unsold Units and exercising its other rights or performing its other obligations under the Plan. Sponsor will repair any damage caused as a result of such access and will use reasonable efforts to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

9. **Miscellaneous**

Sponsor and/or its designee (and their respective successors and assigns) shall have an easement for so long as the Condominium shall remain in existence: (i) to erect, use, lease, maintain, repair, replace and operate a platform and other facilities for the purpose of erecting,

using, leasing, licensing, maintaining, repairing, replacing and operating antennae, satellite dishes and other communications equipment on any part of any roof of the Building that is not occupied as of the date hereof for any other Building installations or as a common recreational area for the Unit Owners; and (ii) to erect, use, lease, maintain, repair, replace and operate related electronic and other communications equipment in any portion of any mechanical equipment room that is not occupied as of the date hereof by any other Building installations, and the right to erect partitions separating such portion from the balance of such equipment room; in each case, without the consent of, or charge by, the Board or any other Unit Owners; provided, however, that Sponsor (or its designee) shall give prior notice to the Board of the type and location of any such equipment before installation. Any obligations of Sponsor under any lease, license or other right of use granted by Sponsor with respect to any roof or the aforesaid mechanical equipment room shall be the obligation solely of Sponsor and not of the Condominium and any rights of Sponsor, including, without limitation, the right to receive rent or other consideration for such lease, license or other right of use, shall be the right solely of Sponsor and not of the Condominium. In connection with such easements and related rights, Sponsor and its designee (and their respective successors and assigns) and the respective tenants and licensees shall each have, to the extent necessary or advisable for such erection, use, lease, maintenance, repair, replacement and operation, an easement in common with all Unit Owners for ingress, egress and the use of any Common Elements. The Units shall be subject to such easement. Sponsor is obligated to indemnify the Condominium in connection with Sponsor's exercise of this easement. Any additional insurance costs/coverage needed in connection therewith will be borne solely by Sponsor. The Unit Owners will not have any interest in the rents, profits or revenues from the rental, use or sale of any such space pursuant to the aforementioned easements and rights.

Sponsor and its designee(s) shall have the right, until the tenth (10th) anniversary of the First Closing (or until no Unsold Units remain, if earlier), to use, without charge, portions of the Building, including the Common Elements, for exhibitions, events and/or promotional functions (e.g., with respect to any sales programs for Unsold Units). Such activities will result in excess traffic and noise in the Building, and may interfere with owner-occupants' enjoyment of the Building.

10. General

Sponsor's representations, warranties and covenants under the Plan and under the GBL, which are required to be performed subsequent to the closing of title to a Unit will survive the delivery of the deed to such Unit only for the time periods set forth in this Plan or as otherwise required by Legal Requirements. The obligations of Sponsor to pay Common Charges and to perform its other duties as a Unit Owner with respect to any Unsold Units will survive for as long as Sponsor owns the same.

Sponsor shall have the obligation to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Condominium Board and the Unit Owners in any such action or proceeding.

The obligations of Sponsor hereunder shall be enforceable by the Condominium Board on behalf of all Unit Owners. Obligations of Sponsor shall be enforceable by individual

Unit Owners if either: (i) the Condominium Board fails to take reasonable action to enforce such obligations within ninety (90) days following the giving of notice of such claim by any Unit Owner to the Condominium Board; or (ii) the applicable statute of limitations with respect to any claim by a Unit Owner which would otherwise be enforceable by the Condominium Board will expire during the aforesaid ninety (90) day period.

Sponsor has not furnished any bond or other security for the performance of the obligations of Sponsor under the Plan. Sponsor's ability to perform its obligations under the Plan will depend on its financial condition from time to time. No warranty is made that Sponsor will be financially able to perform all or any of such obligations.

Until Sponsor no longer controls the Condominium Board, Sponsor will cause the Condominium Board to maintain the Building in substantially the same manner and condition as on the presentation date of this Plan (subject to ordinary wear and tear) and in accordance with the Legal Requirements, subject in all respects to Sponsor's right to change the Units and/or the Common Elements as set forth herein.

Sponsor will endeavor in good faith to sell all of the Residential Units in a reasonably timely manner; however, there is no certainty as to the period of time required to sell all of the Residential Units. Sponsor may unconditionally elect to rent rather than sell Residential Units from time to time after the consummation of the Plan.

Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

11. **Construction Dispute**

Prior to bringing any lawsuit, arbitration or administrative proceeding (a "Proceeding") against the Sponsor and/or the Sponsor's consultants, professionals, members, managers, or the Sponsor Principal (collectively, the "Sponsor Parties") relating to the construction of all or part of the Building (including the Units and Common Elements), the party intending to bring the Proceeding must have a report prepared (the "Correction Report") by an independent, licensed, architect or engineer (the "Inspecting Professional"). The Correction Report must identify the specific areas of the Building that are not in compliance with the specific provisions of the Offering Plan, the Plans and Specifications filed with the Department of Buildings, and/or the local construction codes (a "Claim"). The Correction Report shall be delivered to the Sponsor who shall have a 90 day period after the receipt of the Correction Report to correct any of the Claims or explain why the Claim is incorrect, prior to the Proceedings being brought by the Unit Owners or the Board, other than life or health threatening matters which shall be corrected immediately. The Sponsor's response shall be delivered to all of the Unit Owners. The Sponsor shall have no responsibility for damages to the Units or the Building arising out of the Unit Owner's, the Managing Agent's or the Board's failure to properly inspect, maintain or repair the Property.

S. CONTROL BY SPONSOR

Sponsor as the owner of Unsold Units will, at its option, have control of the Board during the period which continues until the earlier to occur of: (i) the closing of title by Sponsor or its designees of all the Residential Units or (ii) five (5) years after the First Closing (the “Initial Control Period”). During the Initial Control Period of the Board, Sponsor would be able to control maintenance, facilities and services to be provided to Unit Owners and would determine the Common Charges to be paid by all Unit Owners and the enforcement of Sponsor’s obligations by said Board(s). Within thirty (30) days after the end of the Initial Control Period, the Board will call a special meeting of the Unit Owners (the “First Annual Meeting”), to be held not less than ten (10) days nor more than forty (40) days after such date, at which time the Unit Owners will elect members to the Board and the members of the Board on behalf of the Building.

During the Initial Control Period, the Board shall consist of three (3) persons designated by Sponsor. During the Initial Control Period, Sponsor reserves the right to designate fewer than three (3) persons to the Board.

Commencing with the First Annual Meeting, the Board shall consist of seven (7) members; six (6) members elected by the Residential Unit Owners including the Sponsor, who shall constitute the Residential Committee, and one (1) member appointed by the Non-Residential Unit Owner. The number of Board members and the number or composition of Board members may not be changed except in accordance with the procedures described in the By-Laws.

At the First Annual Meeting and at all times thereafter, Sponsor may be able to elect members of the Board as a result of its ownership of or interest in Unsold Units. Sponsor shall retain voting control of the Board if Sponsor and its designees are able to cast sufficient votes at such meetings to establish such control. In addition, Sponsor, for so long as Sponsor owns at least one (1) Unit, shall also have the right, at its option, to designate at least one member of the Board.

The By-Laws do not include a provision that after the expiration of the Initial Control Period a majority of the Condominium Board must be Unit Owner-occupants or members of a Unit Owner-occupant’s household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment. Residential Unit Owners may never gain control of the Condominium Board and the First Annual Meeting may never occur because Sponsor has the unlimited right to rent.

Until Sponsor or its designee has conveyed title to seventy-five percent (75%) of all the Units, but in no event later than five (5) years after the First Closing, whichever shall first occur, the Board may not take any of the following actions without Sponsor’s prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit, (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency for repairs or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, (d) enter into any service or maintenance contract for work not covered by contracts in existence

on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium or on behalf of the Building, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Board to comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

During the Initial Control Period, Sponsor may not exercise veto power over expenses described in the Section entitled "Budget for First Year of Condominium Operation, Schedule B" (the "Budget") or over expenses required (i) to comply with applicable Laws or regulations; or (ii) to remedy any notice of violation; (iii) to remedy any work order by an insurer, or iv) any matter affecting the health and/or safety of the occupants of the Property. Sponsor may exercise veto power over expenses other than those described in the foregoing sentence for a period ending not more than five (5) years after the closing of the first Unit or whenever the Unsold Units constitute less than twenty five percent (25%) of the Common Interest, whichever is sooner.

Sponsor shall have the right, in its sole and absolute discretion, to cause the Board to waive the collection of some or all of the Residential Common Charges from Residential Unit Owners for a period of time prior to full occupancy of the Building (the "Waiver Period"); provided, however, that Sponsor shall be solely responsible for payment of all remaining expenses to operate the Residential Section during the Waiver Period (the "Waiver Period Operating Expenses"). In connection with the Waiver Period, (i) Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan disclosing the occurrence of the First Closing; (ii) Sponsor shall provide notice to Residential Unit Owners disclosing the expiration of the Waiver Period at least thirty (30) days prior to such expiration and shall subsequently disclose the expiration of the Waiver Period in an amendment to the Plan; (iii) that during any such Waiver Period, Sponsor will timely pay all Waiver Period Operating Costs of the Residential Section, including but not limited to insurance premiums and any reserve fund payments and contingency payments to the extent otherwise included in Schedule B – "Projected Budget for First Year of Condominium Operation"; (iv) upon the commencement of the collection of Common Charges, there will not be an assessment for any item set forth in the approved budget for the Condominium; and (v) Sponsor shall remain obligated to update the budget for the Condominium, as provided in the Condominium Documents.

All Waiver Period Operating Expenses paid by Sponsor during the Waiver Period are based on the actual cost of operating the Building and not on estimates set forth in Schedule B – "Projected Budget for First Year of Condominium Operation". Purchasers should note that Schedule B – "Projected Budget for First Year of Condominium Operation" will not be in effect until the expiration of the Waiver Period. In all instances the Residential Unit Owners will remain responsible for the payment of their allocable share of real estate taxes. Sponsor, in its sole and absolute discretion, may upon thirty (30) days prior written notice to Residential Unit Owners terminate the Waiver Period.

If Sponsor shall exercise its right to waive collection of Common Charges as set forth

above, Sponsor will disclose the implementation of such Waiver Period in the amendment to the Plan disclosing the occurrence of the First Closing.. Sponsor will notify all Unit Owners in writing of the expiration of the delay period at least thirty (30) days prior to the commencement of collection of Common Charges and will disclose such fact in the following Amendment to the Offering Plan. During any such Waiver Period, Sponsor will timely pay all expenses of the operation of the Condominium, including but not limited to insurance premiums and reserve fund payments required by lenders, if any. Upon expiration of any such Waiver Period and the commencement of assessment of Common Charges against the Units, there will not be any assessment over and above the amount of such Common Charges against Units or Unit Owners for any item set forth in the approved budget that is in effect at the time of commencement of assessment of Common Charges. During any such Waiver Period, Sponsor shall remain obligated to update the operating budget for the Condominium when and as needed, as provided in the New York State Department of Law regulations as to the same.

To the extent there are members of the Board appointed by Sponsor, such Board members may be required to refrain from voting on any issue before the Board which involves the decision to sue Sponsor, pursuant to *Park River Owners Corp. v. Bangser Klein Rocca & Blum*, 269 A.D.2d 313, 703 N.Y.D2d 465 (1st Dept. 2000); McKinney's Consolidated Laws of the State of New York, General Business Law, Volume 19, pocket part, page 193; and BCL 713(a)(1).

T. CONDOMINIUM BOARD

The affairs of the Building shall be governed by the Board, which during the Initial Control Period, shall consist of three (3) persons designated by Sponsor. During the Initial Control Period, Sponsor reserves the right to designate fewer than three (3) persons to the Board.

Within thirty (30) days after the end of the Initial Control Period, the Board will call for the First Annual Meeting of the Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date. At the First Annual Meeting, the incumbent Board members shall resign and the Residential Unit Owners shall elect six (6) members to the Condominium Board on behalf of the Residential Section and the Non-Residential Unit Owner shall designate one (1) member to the Condominium Board. The Residential Committee shall consist of the six (6) Residential Members of the Condominium Board. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified.

Special meetings of the Unit Owners can be called by the President of the Board, by a majority of the Board, or by a petition signed by 25% in Common Interests of Unit Owners.

At the option of the Board, Annual Meetings and Board Meetings can be held virtually using Zoom or other technology.

Except for Board members designated by Sponsor or its designee, all members of the Board must be either Unit Owners or certain interested parties (e.g. directors, shareholders of Unit Owners) as described in the By-Laws. No member of the Board shall continue to serve on the Board if, during his or her term of office, said member shall cease to be a Unit Owner or an interested party. All Board members shall serve without compensation. The By-Laws do not include a provision that after the expiration of the Initial Control Period a majority of the Residential members of the Condominium Board must be Unit Owner-occupants or members of a Unit Owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

The Board shall collectively have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium.

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

Annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Unit Owners shall elect the six (6) Residential members of the Condominium Board, subject to any rights of Sponsor to designate or elect Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Board shall mail a notice of each annual or special

meeting of the Building to all Unit Owners of record. The notice, which will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Unit Owners, the presence in person or by proxy of Unit Owners owning more than fifty (50%) percent of the Common Interests attributable to all Units shall constitute a quorum and a majority of the votes cast at any such meeting at which a quorum is present shall be binding upon all Unit Owners.

At all meetings, each Unit Owner (or his proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast a vote equal to its percentage interest in the Common Elements.

The initial members of the Board will be affiliated with the Sponsor or its principals and described in the Post Closing Amendment to the Plan. The Board may appoint additional officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Board are to be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any significant expenditure by the Board must be countersigned by two members of the Board.

The term of office of the members of the Board shall be for one year or until their successors are elected. Members of the Board shall serve without compensation. Any member of any Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

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

Upon the affirmative vote of a majority of the members of a Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

All officers, Board members and employees of the Condominium will be bonded at all times from and after the First Closing under fidelity bonds in favor of the Condominium. The amount and cost of the bonds has been provided for in the projected budget for the first year of Condominium operation contained in Schedule B. The By-Laws provide to the extent permitted by applicable Law, no member of the Board shall have any personal liability with respect to any contract, act or omission of the Board or of any managing agent or manager in connection with the affairs or operation of the Condominium, or the Limited Common Element (except in their capacities as Unit Owners). Board members shall have no liability to Unit Owners except that a

Board member shall be liable for his or her own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Board member and each Board member, as the case may be, against any liability or claim except those arising out of such member's own bad faith or willful misconduct.

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

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of the affected Owner(s), with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of any Units or affecting the rights, privileges, easements, licenses or exemptions granted to any Owners, (b) without the prior written consent of Sponsor or its designee or the owner of any Unsold Units with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit or (c) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit.

U. RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE CONDOMINIUM BOARD

1. Sales and Leases of Units

Each Residential Unit Owner may sell or lease his or her Unit provided such Unit Owner (the “Transferor”) first gives the Board, on behalf of all Unit Owners, notice of his or her intention to sell or lease such Unit accompanied by a fully executed copy of the contract of sale, lease or other transfer or occupancy agreement together with a completed copy of the Condominium’s standard form of Purchase Application or Lease Application, as the case may be (the “Offering Notice”) and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Unit within twenty days after receipt of the Offering Notice, the Transferor will have the right to sell or lease the Unit pursuant to the terms contained in the Offering Notice within sixty (60) days thereafter. In the event such sale or lease is not consummated within said sixty-day period, the Transferor will be required to again first offer the same to the Board, provided that the Board shall be entitled to waive, or to permit an extension of such sixty day period. The Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present unless the Board is assigning its option to a third party so the Condominium’s funds will not be utilized, in which event the vote is not required. The Transferor shall have the right to vote in any vote conducted by the Board for the purpose of determining whether the Board shall exercise its right of first refusal to purchase or lease the Transferor’s Unit. Notwithstanding the foregoing, the Board has the right to reject sales and leases to purchasers and tenants who themselves (or Residents of their Units) have diplomatic immunity or have been convicted of violent crimes or child molestation without being required to exercise the right of first refusal.

In connection with the foregoing, the Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, sexual orientation or other grounds prohibited by Law.

Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Board, and that the Board, if permitted by applicable Law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws. No lease of a Unit shall have a term of less than one (1) year.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board.

The purchase of any Unit by the Board or 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 such 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 Common Interest. The lease or sublease covering any Unit leased or subleased by the Board or its designee shall be held by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interest in the Common Elements.

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

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

A Unit Owner may only sell or lease such Unit Owner's entire Unit. In addition, each conveyance of a Unit by a Unit Owner shall include, as part of the property to be conveyed, such Unit Owner's undivided interest in (a) the Common Elements and the Limited Common Elements, (b) any Unit or Units acquired by the Board on behalf of all Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Building and the Condominium.

No part of the Unit Owner's interest in the Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements by all affected Unit Owners.

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

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, the Agreement prohibits a Purchaser from listing such Unit for resale or rental with

any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor's prior written consent.

2. Use of Units

The Residential Units may generally be used only for residential purposes and, subject to compliance with the Declaration and the By-Laws, for lawful home occupation as defined in the New York City zoning resolution, provided such use does not violate the then existing certificate of occupancy or the deed restrictions covering such Unit and complies with all applicable governmental regulations.

Each Unit Owner shall notify the Managing Agent in writing when a child or children ten (10) years of age or less lives or resides (even temporarily) in the Unit. The Unit Owner, or the Board at such Unit Owner's expense, shall install the required window guards in all windows of the Unit. The Unit Owner shall maintain all window stops installed in the windows of each Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Managing Agent. The portion of all curtains, drapes, blinds or other window treatments visible from the exterior of the Building must be white to give the Building a uniform exterior appearance and must be compliance with the Project Standards.

Smoking shall not be permitted anywhere on the Property including in Residential Units. The Board shall have the right to obtain a court order enjoining the occupant of a Unit from smoking in the Unit or the Common Elements and the Board shall have the right to seek the eviction of a tenant, who smokes in a Unit or the Common Elements. In addition to all other remedies available to the Board, violation of this policy shall subject the Unit Owner to (i) a fine in an amount to be determined from time to time by the Board and (ii) reimbursement of any fees or expenses incurred by the Condominium (including legal fees) in enforcing this provision.

Sponsor or its designee may, without the permission of any Board (a) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by Law, does not violate the then existing certificate of occupancy covering such Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium.

The current zoning Law permits a person who resides in a Unit to use up to 25% of the floor area of his Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Unit, except in Unsold Units, as permitted by Law.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. 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, whoever or whichever shall have the obligation to maintain or repair such portion of the Property.

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

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

Each Unit Owner who keeps any type of pet in his or her Unit will be required to: (a) indemnify and hold harmless the Condominium, the Board, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet; and (b) abide by any and all reasonable Rules and Regulations of the Board adopted with respect thereto; and (c) clean up after their pet.

Each Unit Owner shall keep his or her Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair his or her own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Board provided that copies thereof are furnished to each Unit Owner prior to the time that they become effective. Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

3. Mortgage of Units by Unit Owners

Each Unit Owner may mortgage his or her Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him or her. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage or other standard forms of mortgage, except for such changes or additions as may be required to permit a lender to make the loan (provided that this shall not apply to the mortgages of Sponsor, its designees or affiliates), (b) the applicable Board is notified in writing of the making of such mortgage and receives a conformed copy of the note and mortgage and (c) the owner making such mortgage first satisfies all unpaid liens against his or her Unit, other than Permitted Mortgages. The Sponsor shall have the right to mortgage any unsold Unit without any restriction or limitation.

As more particularly set forth in the By-Laws, in certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its designee and any mortgagee of Sponsor, its designee or affiliates, (ii) a bank, trust company, insurance company, real estate investment, mortgage trust, investment bank, trustee of a securitization or any other mortgagee, generally in the business of making real estate condominium loans, or (iii) a

governmental or union employee, welfare, pension or retirement fund or system.

4. Common Charges: Determination and Assessment

Common Expenses, which are payable only by Unit Owners and are included in their Common Charges, are allocated among Unit Owners in proportion to their respective Residential Common Interests. Common Expenses shall include, without limitation, such amounts as the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements or the Limited Common Elements. In addition, the Common Charges include the Unit Owner's allocable portion of the Common Expenses. The respective Common Interests of each Unit, as estimated by Sponsor, are based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements. Common Expenses may include amounts for certain other items as the Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Board of any Unit.

Common Expenses which include, among other things, the costs and expenses (including the payment of wages) in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements and certain other expenses common to all Unit Owners, such as premiums for insurance covering the Building, managing agent fees and legal and accounting fees will be determined by the Board. Common Expenses shall also include such amounts as the Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements.

In the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of \$100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Board to Sponsor and the Unit Owner(s) in proportion to the amount of time Sponsor and each Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Unit Owners or, if rebates are made, what the tax consequences of such rebates would be to Unit Owners. See the Attorney's Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Units by individual Unit Owners.

At least annually the Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess Common Charges to meet such expenses.

The Board will furnish copies of each budget on which Common Charges are based

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

Notwithstanding anything to the contrary contained in the By-Laws, so long as Sponsor or its designee shall continue to own at least one Unsold Unit but in no event later than five years from the First Closing, neither the Board nor the Board may, without Declarant's prior written approval assess any Common Charges or Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund.

5. Common Charges: Collection and Lien for Non-Payment

Pursuant to Section 339-z of the Real Property Law and under the provisions of the By-Laws, the Board, on behalf of all Unit Owners, will have a lien on each Unit for unpaid Common Charges together with interest thereon, assessed against such Unit. All such liens, however, to the extent permitted by applicable Law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the (acting on behalf of all Unit Owners or all Unit Owners, as the case may be) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the appropriate Board to recover unpaid Common Charges without foreclosing such lien.

The Board may make any lien against a Unit Owner effective pursuant to Real Property Law §339-aa. The Sponsor will cause the Board to file a lien as provided in RPL §339-aa on a Unit owned by Sponsor if the Sponsor is more than thirty (30) days in arrears in paying Common Charges while Sponsor controls the Board.

No Unit Owner may exempt himself or herself from liability for his or her Common Charges by waiving use of any of the Common Elements or by abandonment of his or her Unit. No Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against his or her Unit subsequent to a permissible sale, transfer or other conveyance by him or her of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying his or her Unit without consideration to the Board and complying with certain conditions in connection therewith, exempt himself or herself from Common Charges and Common Charges thereafter accruing.

On a resale of a Unit, the seller thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to his or her acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement (an "Estoppel Letter") from the Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such

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

6. Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine maintenance, repairs and replacements, (a) in or to any Unit (other than to the Common Elements or Limited Common Elements included therein), including the individual heating and cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense, (b) in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Notwithstanding the foregoing, any repairs by Unit Owners to the incremental heating and air conditioning units within each Unit shall only be made by contractors or servicemen who have been previously approved by the Board. Terraces and balconies (collectively, "Terraces") are appurtenant to certain Units, as identified in Schedule A and in the Floor Plans set forth in Part II of the Plan, and are Residential Limited Common Elements available for the exclusive use of a Unit Owner of the Unit to which such Terrace is appurtenant, subject to and in accordance with the Declaration, By-Laws and Rules and Regulations in effect from time to time. All normal maintenance and cleaning of any Terrace shall be made by the Unit Owner having access to such Terrace at the Unit Owner's own cost and expense, and any structural or extraordinary repairs or replacements to such Terrace shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a General Common Expense. Unless damage is caused by the Unit Owner, the slab beneath the Terrace shall be the Board's responsibility and the surface of the Terrace above the slab shall be the Unit Owner's responsibility. Sponsor is not responsible for, can make no guarantees regarding and shall have no liability to Unit Owners with respect to, the level of noise or vibrations or odors resulting from the operation of the Building or the Units or the degree of privacy which will be afforded to Unit Owners on their Terraces. Moreover, Terraces must be kept free of snow, ice and accumulation of water to the extent failure to do so could cause damage to the Building and/or other Units therein. In the event a Unit Owner fails to comply with any of its maintenance obligations, the Board may, at the expense of the Unit Owner and without liability to the Board, enter the Unit and perform such acts as are necessary to cure the Unit Owner's default.

The Condominium Board may require a Unit Owner remove plantings and other installations placed on Terraces by said Unit Owners if the Condominium Board determines, in its reasonable discretion, that such plantings and other installations adversely affect the integrity of the surface beneath the Terrace.

The Condominium Board and its agents and employees, including the landscape installer and servicer, will have easements to enter the Units and access the Terraces for maintenance, repair and replacement of the Units and Common Elements (including, without limitation, seasonal startup and shutdown maintenance and periodic maintenance of the landscaped areas, maintenance of Building mechanical equipment or other Common Elements located on any roof setback adjacent to any Terrace, or use of any Terrace as a platform for window washing equipment). The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants

The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants. Any replacement of glass windows in any Residential Unit because of breakage or otherwise shall be made by the Board at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the Board or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such negligent Unit Owner, as the case may be). The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water) by the Unit Owner or appropriate Board, whichever is responsible for the maintenance thereof. In the event any Unit Owner fails to keep his or her Unit in such condition, the appropriate Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default.

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

In addition, the Rules and Regulations require that at least eighty (80%) percent of the floor area of Units (except for kitchens, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

7. Alterations and Improvements of Units and Common Elements

No Unit Owner may make any structural alteration, addition, improvement or repair in or to his or her Unit without the prior written approval of the Board but, as more fully set forth in the By-Laws, this provision does not apply to an Unsold Unit. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the appropriate Board. The Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require

the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done.

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

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed, if necessary, by the Board. The Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Board and the Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to an Unsold Unit, provided any alteration to such Unsold Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Under the terms of the By-Laws, Sponsor is authorized on behalf of the Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units, as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law (collectively the “Required Documentation”) and, the Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the power of attorney to be executed by each Unit Owner upon acquisition of a Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance of a TCO or FCO for such Unit, other Units or the Building, then upon the written request of Sponsor, or the Board, the Unit Owner shall restore the Unit or complete the work, at such Unit Owner’s sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Notwithstanding anything contained in the By-Laws to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner’s sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner’s Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

Generally all alterations or improvements in or to the Common Elements will be made by the Board and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

8. **Rights of Access**

As more fully set forth in the By-Laws, the Board and any managing agents, managers, Resident Manager and other persons authorized by the Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by Law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing work listed on the executed inspection statement or for the purpose of performing or completing construction in the Building.

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

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

10. **Examination of Books and Records**

Each Unit Owner and each mortgagee of a Unit shall be permitted, upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium, but not more frequently than once each calendar quarter. The Condominium, Residential Committee, and Managing Agent shall not release the books and records of the Condominium containing any email address, mailing address or telephone number of a Unit Owner if such Unit Owner has requested in writing that such information not be made public.

11. **Repair or Reconstruction after Fire or Other Casualty**

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Board with respect to any damage to or destruction of the Building, and the Board with respect to any damage to or destruction of the Common Elements, will, except as set forth below, arrange for the prompt repair and restoration thereof (including each Unit, but

excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit).

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

If three-fourths or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests. In either event, 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 which are not Permitted Mortgages) in the order of the priority of such liens. This option must be exercised within sixty (60) days after the insurance proceeds are paid and must close within ninety (90) days thereafter.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Board shall be payable to the Board entitled to adjust such loss in the event of a loss amounting to \$1,000,000 or less

12. **Insurance**

The Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) rent insurance in an amount equal to the aggregate Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Board; (f) water damage insurance to the extent, if any, determined by the Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering the Board and all officers, directors

and employees of the Condominium; (i) directors and officers liability coverage; and (j) such other insurance as the Board may determine. Each Unit Owner shall be an additional insured.

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

The amount of fire insurance and all risk extended coverage to be maintained until the first Board meeting following the First Annual Meeting of the Unit Owners shall be in at least the sum set forth in Schedule B.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees.

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

Any insurance maintained by the Board may provide for such deductible amounts as such Board determines. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners in such proportions between them, with due consideration to their respective risks, liabilities and replacement values, as are equitable (as determined by the respective insurance carriers thereof or their agents, brokers or such other parties designated by the Board).

The Board is not required to obtain or maintain any insurance with respect to any personal property contained in a Unit, Storage Bin. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit, Storage Bin or any part thereof, with minimum coverage as established by the Board from time to time and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon, or from the apartment or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage). The limits of liability

set forth in (a) and (b) above may be increased by the Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Board or the Managing Agent, the Unit Owner shall deliver to the Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Board. The Board and the Managing Agent shall not be responsible for ensuring that Unit Owners as insured and shall have no liability for the failure of a Unit Owner to have insurance. To the extent either party is insured for loss or damage to property, each party will look to their own insurance policies for recovery.

All Unit Owners are required to obtain casualty and liability insurance for their own benefit covering their Units, and Limited Common Elements appurtenant thereto, including Storage Bin Licenses, if any. All such policies shall contain waivers of subrogation, if available, and the liability of the carriers issuing insurance obtained by the Condominium Board shall not be affected or diminished by reason of such additional insurance carried by any Unit Owner.

13. Liability of Condominium Board and Unit Owners

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

14. Reports to Unit Owners

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

15. Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as 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 in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Mortgage Representatives, if any, and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Units, provided that in no event shall Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on his or her Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

16. **Confidential Information.**

Neither the Board nor the Managing Agent shall release the personal contact information of a Unit Owner if the Unit Owner indicates in writing that the information is confidential.

17. **Units Acquired by Board**

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

The purchase of any Unit by the Board or its designees, on behalf of the 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 or her respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

18. **Procedure to Review Real Estate Tax Assessments**

The Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of his or her Unit reduced by bringing a separate certiorari proceeding, the Board, 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 from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such

proceedings.

19. **Mechanics' Liens**

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the individual Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but (a) all Common Charges received by the Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Board or the Managing Agent for the Common Elements and the Limited Common Elements.

20. **Litigation**

Neither the Condominium Board nor the Residential Committee shall bring any litigation except to enforce the Declaration or By-Laws without first receiving the written approval of the owners of three-quarters of the Units and the owners of three-quarters of the percentage interests in the Common Elements.

21. **Easements and Name of Condominium**

In order to facilitate the operation and maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Board and the adjacent property owners. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as "250 West 96th Street Condominium". Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of any Board or Unit Owner.

22. **The Declaration and By-Laws**

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of the

Plan. A prospective purchaser should read the Plan in its entirety including the Declaration and By-Laws.

V. REAL ESTATE TAXES

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

It is estimated that the aggregate real estate taxes attributable to all Unit Owners for the first year of Condominium operation will total approximately \$3,878,913, based on an opinion prepared by Marcus & Pollack (Sponsor's real estate tax counsel), dated March 3, 2022 which assumes (a) an estimated taxable assessed valuation attributable to the entire Property of \$22,792,050 for the 2022/2023 fiscal tax year, (b) an estimated taxable assessed valuation attributable to the entire Property of \$40,871,428 for the 2023/2024 fiscal tax year, (c) a projected residential tax rate of 12.235% and (d) a projected commercial tax rate of 10.755%. Assuming the Property does not receive any abatement from real estate taxes, the taxes during the first tax year after completion of construction and second year of operation, and subsequent years, will be higher than the taxes during the first year of operation. It is estimated in the opinion of letter of Marcus & Pollack LLP, that for the first post construction tax year of 2024/2025 the residential units' real estate taxes will be \$4,877,171.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED.

The estimate of the taxes for each Residential Unit has been determined by multiplying the total taxes due with respect to the Residential Units by a percentage derived by dividing the projected sales price of each Residential Unit as set forth in the Plan by the total aggregate projected sales price of all Residential Units. Please refer to the opinions of Holland & Knight LLP and Marcus & Pollack LLP as set forth in Part I of the Plan for further discussion regarding real estate taxes for the residential portion of the Property.

Prior to the issuance of separate tax lots, the real estate tax estimates for each Residential Unit will be determined by multiplying the total taxes due with respect to the Residential Units by a percentage derived by dividing the Common Interest of each Residential Unit by the total Common Interests of all Residential Units. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's percentage interest in the Common Elements rather than Purchase Price, or some combination of the two, and if so, Residential Units having the same percentage interest may pay different real estate taxes.

The By-Laws provide that the Condominium Board is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner

indemnifies the Condominium Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

Prospective purchasers should note that increases in a property's assessed valuation resulting from changes in its market value (other than changes resulting from new construction or alteration of an existing improvement) are phased in over five fiscal tax years in annual increments of twenty percent each. Any further increase in assessed valuation during such five-year period resulting from a still higher market value is similarly phased in over an additional five-year period from the date of such increase. The full increased assessed valuation targeted to be in effect after the end of the five-year period is called the "actual" assessed valuation, and the amount of the incremental assessed valuation upon which taxes are actually computed for each fiscal tax year during such five-year period is called the "transitional" assessed valuation.

No guaranty or assurance is given that (i) any of the assumptions described above will be valid, (ii) any projected or estimated amount set forth above (including, without limitation, the estimates of the Property's aggregate assessed valuations during the First Year of Condominium Operation and applicable tax rates projected by Sponsor's real estate tax consultant, the estimates of the portions of such assessed valuations that will be allocable to the Units and the projection of the average real estate tax rate that will be in effect during such first year) will approximate the actual amount, (iii) the estimated or actual amount of assessed value of the Property following the projected First Year of Condominium Operation and the taxes payable based upon such assessment or (iv) that the Property Division of the New York City Department of Finance will allocate the Property's aggregate assessed valuation between the Units in accordance with relative common interests of the Units as described above. Sponsor will amend the Plan promptly to disclose the same if it discovers that any of such assumptions are invalid as well as after the Units have been assessed and the applicable tax rate determined.

Until the Units are separately assessed, each Unit Owner will pay to the Condominium Board a share of the Property's real estate taxes for the period in question calculated based upon each Unit's proportionate share of the Common Interest. These allocation percentages reflect the relative approximate aggregate assessed values of each of these Units as estimated by Sponsor's real estate appraiser and as set forth above in this Section V. The Condominium Board will pay such real estate taxes timely to the Department of Finance of The City of New York, or directly to Sponsor if Sponsor has paid such taxes, so that no lien will be placed on the Property or any Unit. If Sponsor fails to pay real estate taxes attributable to any Unsold Unit in a timely manner and as a result of such failure a lien is placed on the Property and/or any other Unit, Sponsor will immediately cause such lien to be removed at its sole cost and expense. If Unit Owners fail to pay their pro rata share of Real Estate Taxes as set forth above, the Condominium Board will be entitled to assess late charges and/or place a lien on their Units as if such unpaid share were Common Charges. (See "Collection and Lien for Non-Payment of Common Charges" in Part I above for further discussion.) After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes. A Unit Owner will not be responsible for the payment of, and will not be subject to any lien arising from the non-payment of real estate taxes assessed against any other Units. At such time as a Unit is separately assessed and separate tax bills are issued, the Unit Owner will pay such taxes directly to the taxing authority.

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

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

W. INCOME TAX DEDUCTIONS TO UNIT OWNERS AND TAX STATUS OF THE CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units by purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the income tax opinion of Holland & Knight LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

Prospective Purchasers should note that the opinion letter addresses the tax consequences that would result from the ownership of a Unit by an individual resident of New York City for use as a qualified residence, as further described herein. It does not address, among other things, the tax consequences that might result from the ownership of a Unit by a taxpayer who is not an individual and a resident of New York City, including corporations and other entities, and foreign individuals or entities. It also does not address the tax consequences that might result from the ownership of a Unit that is held by an individual taxpayer in connection with his or her trade or business, for investment, or for the production of income.

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

1. Deductibility of Mortgage Interest and Real Estate Taxes

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

It is the opinion of Holland & Knight LLP that a Residential Unit Owner who uses his or her Residential Unit as a personal residence and itemizes his or her deductions will, under present Law, for Federal, New York State and New York City income tax purposes, be entitled to a deduction for mortgage interest and real estate taxes in the year paid in the case of cash basis taxpayers or accrued in the case of other taxpayers, subject to certain exceptions and limitations which are more particularly discussed in the Attorney's Income Tax Opinion. Purchasers should note that for the taxable years commencing on or after January 1, 2018 and before January 1, 2025 mortgage interest is deductible generally only with respect to (1) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of \$750,000). Interest on home mortgage debt in excess of those limitations would not be deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and to the overall allowance of itemized deductions. For taxable years commencing on or after January 1, 2026 the amount of acquisition indebtedness for which a mortgage interest payment is deductible is increased from a maximum of \$750,000 for married individuals filing joint returns to \$1,000,000 and a separate "home equity" interest deduction is allowable for payments attributable to \$100,000 in secured debt. Purchasers should also note that

for taxable years commencing on or after January 1, 2018 and before January 1, 2026 deductions for property taxes and state and local income taxes are limited to a combined total of \$10,000 in any such year. For taxable years commencing on or after January 1, 2026 the \$10,000 overall limit on property and state and local income taxes is removed. Section X of the Plan, the Attorney's Income Tax Opinion, provides greater details of the mortgage and interest deductions.

2. Taxation of the Condominium

If the Condominium meets the requirements for qualification as a "homeowners association," which requirements are discussed in the Attorney's Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income from assessments from the Non-Residential Unit Owner, and interest earned on any reserve funds (less expenses directly connected with the production of such income).

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. The tax treatment of the Condominium may be affected by regulations relating to entity classification, which were adopted by the United States Treasury Department on December 17, 1996.

The qualification of an organization as a homeowners association is determined annually at the close of each taxable year, and it is possible that if the Condominium does not qualify in one year it may nevertheless qualify in one or more future years.

No warranties are given that the Internal Revenue Service, the New York State Department of Taxation and Finance or the Finance Administration of the City of New York will allow the aforementioned deductions for mortgage interest and real estate taxes. There is also no assurance that the tax Laws or the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Holland & Knight LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Holland & Knight LLP, the Selling Agent, the Managing Agent or any other person connected with this offering be liable if at any time it is held that the Residential Unit Owners, or any of them, are not entitled to such income tax deductions. In addition, none of the aforesaid give any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Units offered under this Plan, and no one has been authorized to give any warranties.

X. TAX OPINION OF HOLLAND & KNIGHT LLP

Holland & Knight

31 West 52nd Street | New York, NY 10019 | T 212.513.3200 | F 212.385.9010
Holland & Knight LLP | www.hklaw.com

To ensure compliance with the Internal Revenue Service Circular 230 disclosure requirements, we inform you that the United States federal tax advice contained herein (i) is written in connection with the promotion or marketing by others of the transactions or matters addressed herein, and (ii) is not intended or written to be used, and cannot be used by any taxpayer, for the purpose of avoiding U.S. tax penalties. Each taxpayer with respect to the subject matter addressed herein should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

September 10, 2021

PARAGON JV PROP III LLC
c/o JVP Management LLC
767 Fifth Avenue, 12th Floor
New York, New York 10153

**Re: Condominium Offering Plan
 250 West 96th Street Condominium (the “Condominium”)**

Ladies and Gentlemen:

You have requested our opinion concerning (i) the deductibility, for Federal, New York State and New York City income tax purposes, of mortgage interest and real estate taxes paid by residents of New York who purchase the Residential Units for residential use pursuant to the above-referenced Condominium Offering Plan (the “Plan”), and (ii) the qualification of the Condominium as a “homeowners association” under Section 528 of the Internal Revenue Code of 1986, as amended (the “Code”). This opinion does not address the tax consequences of (i) the ownership of Residential Units by corporations, other entities or foreign persons, (ii) ownership of the Unsold Residential Units, any Residential Unit that is used for mixed residential/non-residential purposes, or any Units other than the Residential Units (such as the Non-Residential Unit), or (iii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units. Except where otherwise indicated, the terms used in this opinion have the same meaning as in the Plan.

In connection with rendering this opinion, we have reviewed the Plan and have examined the schedules, exhibits and documents accompanying the Plan, including the declaration establishing, and the By-Laws governing, the operations of the Condominium (the “Plan Documents”). We have also considered the relevant sections of the Code, the New York State Tax Law, the New York City Administrative Code, the regulations promulgated thereunder and such

other materials as we deemed relevant. In rendering this opinion, we have assumed that the Plan is the document pursuant to which owners of the Residential Units will acquire their Residential Units and that the relevant facts are as set forth therein.

Mortgage Interest and Real Estate Tax Deductions - Federal

On December 22, 2017 President Trump signed into Law legislation commonly known as the Tax Cuts and Jobs Act (the “2017 Act”). The 2017 Act made changes to the Code that are generally effective for individual taxpayers for the period January 1, 2018 through December 31, 2025 at which point the relevant Code provisions in effect prior to 2018 again become effective. The 2017 Act makes significant changes to pre 2018 Code provisions relating to tax and interest deductions for home ownership. Because of the transitory nature of many of the tax Law changes discussed in this opinion, we discuss both the current 2017 Act for the period January 1, 2018 through December 31, 2025 and the pre 2018 Code provisions for the period January 1, 2026 and thereafter.

January 1, 2018 Through December 31, 2025

Pursuant to the Plan, the purchaser of a Residential Unit will receive legal title in fee simple to his or her Residential Unit, coupled with ownership of an undivided interest in the appurtenant Common Elements held in common with other Unit Owners. Such purchaser will have the right to place an individual mortgage on his or her separate Residential Unit and will be liable to the local tax authority for the real estate tax assessment with respect to his or her interest in the Property. Under these circumstances, the Internal Revenue Service (the “IRS”) has ruled that the owner of a residential condominium unit may deduct interest paid on his or her mortgage indebtedness and the real estate taxes assessed and paid on his or her interest in the property. Rev. Rul. 64-31, 1964-1 C.B. 300.

Accordingly, based on the foregoing, it is our opinion that for the taxable year beginning on or after January 1, 2018 and before January 1, 2026 an owner of a Residential Unit who itemizes his or her deductions will be entitled under current Law to deduct from his or her gross income for Federal income tax purposes, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority, subject to an overall limitation under the 2017 Act of \$10,000 (\$5,000 for a married individual filing a separate return) for the aggregate of state and local property taxes and state and local income taxes for such year. Since the deductions for state and local taxes are so restricted under the 2017 Act, Residential Unit Owners should consider whether to claim the standard deduction in lieu of electing to itemize deductions. In determining whether to itemize deductions, the 2017 Act increases the standard deduction to \$24,000 for married individuals filing a joint return, \$18,000 for head of household filers, and \$12,000 for all other taxpayers but also eliminates the deduction for personal exemptions. Further, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax, however the 2017 Act increases the exemption amount for individuals to \$109,400 for taxpayers filing joint returns and surviving spouses, \$70,300 for single taxpayers, and \$54,700 for married taxpayers filing separately, with a phase-out reduction of such exemption amounts for taxable income in excess of a prescribed amount. Owners of the Residential Units should consult their tax advisers regarding the applicability of the alternative minimum tax to the deductibility of real estate taxes and whether to

claim the standard deduction instead.

Under the 2017 Act a taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a “qualified residence”) to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) (“acquisition indebtedness”), up to, for debt incurred on or after December 15, 2017, a maximum of \$750,000 in indebtedness for any period (\$375,000 in the case of a married individual filing a separate return). The deduction for interest allowable under the pre 2018 Code attributable to home equity indebtedness, not to exceed \$100,000, is suspended through December 31, 2025 for calendar year taxpayers. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, for the taxable year beginning on or after January 1, 2018 and before January 1, 2026, to deduct from his or her gross income for Federal income tax purposes, interest paid or accrued by him or her on acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$750,000 (\$375,000 in the case of a married individual filing a separate return) with respect to his or her Residential Unit. Such Unit Owners should also consider whether to take the increased standard deduction allowed under the 2017 Act and discussed in the tax deduction portion of this letter, in lieu of electing to itemize deductions. Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which at present is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans.

January 1, 2026 and Forward

Effective for taxable years beginning on or after January 1, 2026, the pre 2018 Code provisions will be applicable to the deductibility of mortgage interest and real estate taxes. The pre 2018 Code provisions and its effect on our opinions are described below.

It is our opinion that an owner of a Residential Unit who itemizes his or her deductions with respect to a taxable year beginning on or after January 1, 2026 will be entitled to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, suspended during the period January 1, 2018 through December 31, 2025, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. The \$10,000 overall limit on the deduction of state and local property and income taxes under the 2017 Act will not apply. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax as in effect prior to January 1, 2018. Owners of the Residential Units should consult their tax advisers regarding the applicability of the overall limitation on itemized deductions to the deductibility of real estate

taxes.

With respect to taxable years beginning on or after January 1, 2026 a taxpayer generally is entitled to a deduction for Federal income tax purposes for interest paid with respect to a principal and one secondary residence (a “qualified residence”) to the extent that the interest is attributable to indebtedness which is secured by the qualified residence and which (i) is incurred in acquiring, constructing or substantially improving the qualified residence (or which constitutes a refinancing thereof, to the extent that such indebtedness does not exceed the amount of the refinanced debt) (“acquisition indebtedness”), up to a maximum of \$1,000,000 for any period (\$500,000 in the case of a married individual filing a separate return), or (ii) is any indebtedness other than acquisition indebtedness, up to the excess of the fair market value of any one qualified residence over the amount of acquisition indebtedness with respect to such residence (“home equity indebtedness”), but not to exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return) in the aggregate for all qualified residences of the taxpayer in any period. The restrictions under the 2017 Act for \$750,000 and \$375,000 in acquisition indebtedness and the disallowance for home equity indebtedness will not apply in this period. Accordingly, an owner of a Residential Unit who itemizes deductions and uses his or her Residential Unit as a qualified residence will be entitled, under Law in effect in the taxable year beginning on or after January 1, 2026, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as set forth in Section 68 of the Code, interest paid or accrued by him or her on (i) acquisition indebtedness incurred with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of acquisition indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$1,000,000 (\$500,000 in the case of a married individual filing a separate return) and (ii) home equity indebtedness with respect to his or her Residential Unit to the extent that such indebtedness, when added to the amount of home equity indebtedness incurred with respect to a second qualified residence (if any), does not exceed \$100,000 (\$50,000 in the case of a married individual filing a separate return). Since the rules and limitations regarding the deductibility of home mortgage interest are complex, purchasers are urged to consult their tax advisers regarding the application of such rules and limitations to them, as well as regarding the deductibility of interest with respect to their Residential Units for Federal alternative minimum tax purposes (which is subject to rules different than those described above for regular tax purposes). In addition, owners of Residential Units should consult their tax advisers regarding potential limitations on the deductibility of points and prepaid interest, if any, on their mortgage loans and on the overall limitation on the allowance of itemized deductions.

Mortgage Interest and Real Estate Tax Deductions – New York State and City

Each owner of a Residential Unit who uses his or her Residential Unit as a residence will generally be entitled to the same deduction for mortgage interest and real estate taxes paid or accrued with respect to his or her Residential Unit for New York State and New York City income tax purposes as is allowed for Federal (regular) income tax purposes in the relevant periods. However, under New York State and New York City income tax Law, itemized deductions, such as interest and real estate tax deductions, are subject to reduction by as much as 50% in the case of individuals having income exceeding certain prescribed levels. Moreover, if an individual’s New York State and New York City adjusted gross income exceeds \$1,000,000, then no New York State or New York City itemized deductions are allowable for the mortgage interest and the real

property tax payments. Furthermore, purchasers should consult their tax advisers to determine the application, if any, of the New York State and New York City minimum taxes to the deduction for mortgage interest and real estate taxes with respect to their Residential Units.

Because the 2017 Act limits deductions for property and state income taxes to a combined total of \$10,000 a question arises during the period January 1, 2018 to January 1, 2026 whether all of the real property taxes paid, subject to a \$10,000 limit, can be deducted for New York State and New York City purposes, or merely a proportionate amount of property taxes paid as results from the ratio of property taxes to total property and state income taxes multiplied by \$10,000. We expect both the IRS and the New York State Department of Finance and Taxation will provide guidance, but in the absence of guidance we think the better view is that property taxes are deductible to the extent paid or accrued for New York State and New York City purposes subject to the \$10,000 Federal limit in the applicable years and the limitations under New York Law described above.

Section 528 Homeowners Association

If the Condominium qualifies as a homeowners association within the meaning of Section 528 of the Code, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. However, even if the election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources such as interest earned on any reserve funds (less expenses) directly connected with the production of such income).

To qualify as a homeowners association, the Condominium must meet all of the following conditions: (1) it must be organized and operated to provide for the acquisition, construction, management, maintenance and care of association property, (2) at least 60% of its gross income for each taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (3) 90% or more of its expenditures for each taxable year must be made for the acquisition, construction, management, maintenance and care of association property, (4) no part of its net earnings can inure to the benefit of any private shareholder or individual (other than by acquiring, constructing, or providing management, maintenance, and care of association property, and other than by rebate of excess membership dues, fees, or assessments), (5) the Condominium must elect to be treated as a homeowners association, and (6) at least 85% of the total square footage of all Units within the Condominium must be used by individuals for residential purposes. See Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 is to be determined annually at the close of each taxable year and it is possible, therefore, that if the Condominium does not qualify in one year, it may nevertheless qualify in one or more future years.

Based on the information contained in Schedule A to the Plan, which shows that 98% of the total square footage of all Units of the Condominium will be contained in the Residential Units, and assuming that the Residential Units are used by individuals for residential purposes under Treasury Regulation § 1.528-4, at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes. In making that determination, we note that the Condominium has not been constructed and that either a decrease in the square

footage of the Residential Units from that shown in Schedule A to the Plan, or an increase in the square footage of the Non-Residential Unit from that shown in Schedule A to the plan, or a combination of both, when constructed may cause the square footage of all Residential Units of the Condominium to be less than 85% of the total square footage of all Units. If that should be the case, the Condominium will not be eligible to elect to be treated as a homeowners association. Based on the information contained in Schedule A to the Plan and assuming (i) the actual gross income and expenditures of the Condominium for its taxable year ending December 31, 2023 (the “2024 Taxable Year”) are the same (or, are in the same proportions) as the estimated gross income and expenditures for the Condominium’s first year of operations, as set forth in Schedule B to the Plan, (ii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, and (iii) there are no changes in the facts and/or the relevant provisions of current Law, the Condominium should be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2024 Taxable Year. In making that determination we also note that Schedule B to the Plan lists qualifying expenditures (the 90% test discussed in (3) above) for association property, essentially property attributable to Residential Units, at 91.9% of total expenditures in the 2024 Taxable Year. To the extent that actual expenses for association property decreases by a small amount in the 2024 Taxable Year, or the expenses for non association property increases by a small amount in the 2024 Taxable Year, or a combination of both occurs, such increases or decreases may cause total expenditures for association property to be less than 90% of total expenditures in the 2024 Taxable Year. If such increases or decreases result in association property expenditures that are less than 90% of total Condominium expenditures, the Condominium will not be eligible to elect to be treated as a homeowners association for the 2024 Taxable Year.

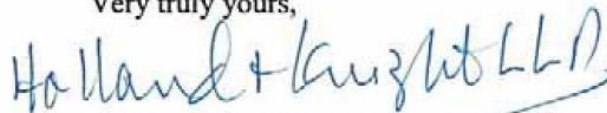
Absent the application of Code Section 528, the present state of federal Law is unclear as to the precise tax status of the Condominium. An entity classification regime was adopted in regulations issued by the United States Treasury Department on December 17, 1996 and there is no authority addressing the application of those entity classification regulations to condominiums. Because the By-Laws of the Condominium provide that the Condominium Board (the “Board”) will each act as the agent of the Unit Owners represented by each such Board, the Condominium Board may take the position that the Condominium is not a separate entity and accordingly is not subject to the classification regime. In such case, the Unit Owners would, in the aggregate, include in their gross income and be taxed on all income earned by the Condominium (which income may include interest or similar income earned from interim investments of the amounts assessed and collected from the Unit Owners), reduced by the expenses incurred in earning such income. For this purpose, the Common Charges should not be considered income earned by the Condominium through the Board collecting such charges. If, however, the Condominium is properly considered a separate entity and is not incorporated under New York State Law, the Condominium may elect to classify itself as a corporation. If the Condominium is taxable as a corporation, it would be considered a separate taxpayer with respect to income and deductions and return filing requirements and would be subject to Federal corporate income tax. If the Condominium does not elect to be treated as a corporation and is treated as a partnership, the partnership would not be subject to an entity level tax, the items of income and deduction of the partnership would generally be passed through to the Unit Owners in accordance with the provisions of Subchapter K of the Code, and the partnership would be required to file information returns.

The precise tax status of the Condominium for New York State and New York City tax purposes is also unclear. The relevant New York State and New York City Laws incorporate by reference federal entity classification provisions which, as discussed above, do not specifically address the treatment of condominiums. If the Condominium is properly treated as a separate entity that is an association taxable as a corporation for Federal income tax purposes, the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City General Corporation Tax. If the Condominium does not constitute an association that is taxable as a corporation for Federal income tax purposes, it likely would be subject to the New York City Unincorporated Business Tax, unless the Condominium were eligible for and elected treatment under Code Section 528 as a homeowners association.

We express no views as to any Federal, New York State or New York City tax consequences other than those explicitly discussed in this opinion, or as to the tax status or tax consequences of the Plan under the Laws of any other U.S. or foreign jurisdiction. Moreover, this opinion, while based on existing rules of Law applied to the facts and documents referred to above, is not binding on the IRS, any state or local tax authority, or any court. No assurances can be given that the tax Laws upon which we base this opinion will not change. In no event will the Sponsor, Holland & Knight LLP, the Board, the Selling Agent or any other person be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional Law or IRS rulings on which we have relied which cause the owners of Residential Units not to be entitled to the income tax deductions described herein, or which would affect the tax treatment of the Condominium as described herein.

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

A handwritten signature in blue ink that reads "Holland & Knight LLP". The signature is written in a cursive, flowing style.

Holland & Knight LLP

Y. 339-I OPINION OF HOLLAND & KNIGHT LLP

Holland & Knight

31 West 52nd Street | New York, NY 10019 | T 212.513.3200 | F 212.385.9010
Holland & Knight LLP | www.hklaw.com

September 10, 2021

PARAGON JV PROP III LLC
c/o JVP Management LLC
767 Fifth Avenue, 12th Floor
New York, New York 10153

**Re: 250 West 96th Street Condominium
250 West 96th Street
New York, New York (the “Condominium”)**

Ladies and Gentlemen:

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

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on the Schedule A of the Plan and the declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by FirstService Residential as set forth in its opinion contained in the Plan as required by NYCRR Section 20.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of FirstService Residential.

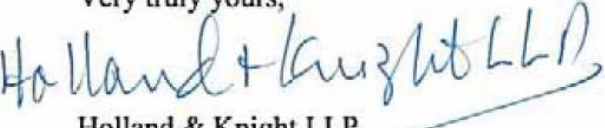
Based upon our review of the foregoing, we have determined that Common Interests were allocated pursuant to the method set forth in Real Property Law Section (“RPL”) 339-i (1)(iv), i.e., based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Accordingly, based on the foregoing it is our opinion that Real Property Law Section 339-i has been complied with in assigning Common Interests to the Units. This opinion, while based upon existing rules of Law applied to the facts and documents referred to above, is not a guarantee to purchasers. In no event will the Sponsor, Holland & Knight LLP, the Selling Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing

this opinion or if there are changes in RPL Section 339 or other applicable Law.

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

We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan.

Very truly yours,

Holland & Knight LLP

Z. REAL ESTATE TAX OPINION OF MARCUS & POLLACK

MARCUS & POLLACK LLP

ATTORNEYS AT LAW

INCLUDING PROFESSIONAL CORPORATIONS

633 THIRD AVENUE

9TH FLOOR

NEW YORK, NY 10017-6796

JOEL R. MARCUS
ROBERT M. POLLACK

GLENN BORIN
PHILIP H. AZARIAN
BRUCE A. BRASKY
EMILY N. BLATT

(212) 490-2900

FAX: (212) 599-3167

www.marcuspollack.com
taxappeal@marcuspollack.com

MICHAEL D. POLLACK
TAMAR TOLEDANO
ODELIA NIKFAR

March 3, 2022

Paragon JV Prop III LLC
767 5th Ave 12th Floor
New York, NY 10153

Real Estate Tax Projection
250 West 96th Street Condominium
Manhattan Block 1243, Lot 55

Ladies and Gentlemen:

You have requested that we project the real estate tax liability for a new mixed-use condominium building to be completed at the location described above (the "Building"). You have advised us that some or all of the condominium units will be offered for sale by the Sponsor of an Offering Plan.

You have provided us with a description of the Building, which we understand is subject to change, including the gross floor areas of the several parts of the Building, the number and types of units, and dates for commencement and completion of construction and the beginning of the first year of condominium operation

We have projected the real estate taxes for each of the New York City fiscal years that overlap with the first two years of condominium operation. Our projections are based on the description of the Building that you have provided, a review of public records, an analysis of the assessments of similar condominium buildings, our experience with New York City's tax policies and assessment practices, and applicable law.

The City levies real estate taxes on the basis of its fiscal year that runs from July 1 to June 30. An annual tax is levied on each separately assessed parcel of real property, including individual condominium units.

The City's Department of Finance ("DOF") conducts an annual revaluation for real property tax

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Real Estate Tax Projection
Page 2

assessment purposes. DOF estimates a Full Value for each property using one or more of three generally recognized appraisal methods. These are the sales price comparison, income capitalization and cost approaches to value.

Full Value is generally equated with market value, which is the price that a property would bring in a competitive and open market, wherein both buyer and seller are acting prudently, knowledgeably and assuming the price is not affected by undue stimulus.

In theory, the three approaches to value should produce similar estimates. However, in practical use, the choice of methods may be limited by the availability of data and the results of the different approaches may be difficult to reconcile.

Each of the three approaches to value may make use of data for the subject property as well as from other similar properties.

The sales price comparison approach involves identifying properties that have recently sold in open market transactions and adjusting for time trends and differences between the sold properties and the subject property. For most types of property, comparisons are made on the basis of sale price per standard unit, such as square feet of building floor area.

The capitalization of income approach relies on the assumption that the price an investor will pay for an income-producing property is based on the potential net income to be derived from ownership of the property. The income capitalization method commonly applied for tax assessment purposes involves dividing an estimated annual net operating income by a capitalization rate that reflects the rate of return required by investors in the applicable market.

The cost approach relies on the assumption that the price an investor or property user will pay for a property is limited by the sum of the cost of construction and the value of the underlying land. This method of valuation is generally considered best used for new buildings; for older buildings it requires adjustment for depreciation and obsolescence, which are difficult to determine. Relevant data used in the cost approach include material and labor ("hard") costs, and financing, engineering, architectural, testing and professional fees, and construction-period taxes ("soft") costs.

The methods developed by the appraisal profession for single-property valuations are modified for tax assessment purposes by the needs of the mass appraisal process and legal constraints imposed by judicial precedent in contested valuation cases and state and local laws.

Real Property Tax Law § 581 requires that the DOF assess residential condominiums without regard to their form of ownership. This requirement has been interpreted to mean that condominiums are to be assessed as if they were rental properties and precludes the use of individual sales to determine an aggregate value of the condominium property.

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Real Estate Tax Projection
Page 3

The courts have held that the most relevant method for valuation of rental apartment buildings is the capitalization of income. This has been extended to residential condominiums where the income capitalization approach relies on rents imputed from comparable rental properties.

Consistent with the statute and judicial precedent, DOF has adopted a practice of using the income approach as the primary method of valuation for condominiums. Under current practice, DOF considers construction cost only in connection with measuring value increments during construction, which in aggregate are limited by the value derived by the income approach. However, in some decisions involving newly constructed condominium properties outside of the City, the courts have also allowed consideration of the cost approach to be used more generally, which in practice may result in a substantially greater value estimate than the income approach.

Tax assessments are determined based on the value and condition of the property on the Taxable Status Date, which is the January 5 prior to the beginning of the City fiscal year for which the assessment is made. Real Property Tax Law §§ 301, 302; New York City Charter § 1507.

If a new building's foundations are started after January 5, the value added by construction will not be assessed until the second following fiscal year. If a new building started prior to January 5 is neither ready for occupancy nor partially occupied before the following April 15, the tentative assessment is revised by removing the value of the partially constructed building. In that case, only the land and any pre-existing improvements on the site are taxed for the next fiscal year. This benefit provided by New York City Administrative Code § 11-209 is limited to one fiscal year for most residential buildings.

When DOF values a building that is still under construction on the Taxable Status Date, it may first determine a Full Value for the building as if complete and then reduce the building value based on an estimate of the percentage of the work completed as of the Taxable Status Date. In making our projections, we estimate the percentage of completion that DOF will apply based on the information provided to us relating to the planned construction schedule, which we understand is subject to change.

DOF publishes tentative assessments for each tax lot on or about January 15. Tentative assessments are subject to change by DOF for limited periods and become final on or about May 25.

Tentative assessments may be appealed by filing an application on or before March 1 with the New York City Tax Commission, which has authority to reduce assessments that it finds erroneous. Tax Commission appeals and further proceedings in state court may continue after the assessments are final and are often resolved one or more years after the taxes have been paid. In residential condominiums, the board of managers, as agent for the unit owners, typically retains counsel to challenge the annual assessments.

Condominium units are first separately assessed by DOF on publication of a tentative or final assessment following the filing and recording of a Declaration of Condominium in DOF's Office of the City Register and approval of an application for apportionment of the initial tax lot by DOF's Tax Map Unit. When the application is approved, each unit is assigned a tax lot number. If the site consists of

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Real Estate Tax Projection

Page 4

multiple contiguous tax lots, these will usually be merged prior to the apportionment into individual condominium tax lots.

The new, separate assessments will be used to calculate taxes for the next following fiscal year beginning on July 1. Tax installments with future due dates for the current fiscal year may also be apportioned when the tax map change is approved.

Prior to separate assessment, DOF will value the entire property as a whole, which may be treated as vacant land, a partially completed building or a completed building depending on the timing of construction relative to the Taxable Status Date. The Offering Plan or Declaration of Condominium may provide for a method for apportionment of taxes based on a single assessment for the entire property.

When the property is separately assessed, DOF will first estimate a Full Value for the entire property or for portions of the property consisting of groups of units having the same or similar use, such as for-sale residential, residential rental, storage, parking, community facility or retail use. DOF will then allocate its value estimates to the individual units.

DOF has used several methods of allocating value to the units in the past and the method to be used is not prescribed by law. For more than ten years, DOF has used the common interest percentage assigned to each unit by the Declaration of Condominium as the basis for allocation.

We make no representation as to the fiscal year for which the units will be separately assessed and billed by DOF, the method of allocation of value to the units that DOF will use when it separately assesses the units or the method that will be used to allocate taxes prior to separate assessment and billing.

In making our projection, we seek to emulate the method that DOF will use to estimate the value of the property. We review all of the general information published by DOF as well as the assessments and related data published in respect to recently constructed condominium buildings. We omit from our analysis properties that appear to be assessed as if still under construction, even if in fact they were completed prior to the Taxable Status Date.

We have observed the following aspects of DOF's current methods of valuation of condominiums:

DOF uses the income-approach to value as its primary method.

The gross income used for the income approach is determined by multiplying the gross floor area by an estimated income per gross square foot. There is considerable variation in the estimated income per square foot that is not apparently explained by differences in location, height, amenities or other physical or market criteria. There are similar variations in the estimated operating expenses deducted from gross income to determine net income.

Residential gross area as measured by DOF is typically about 25% greater than the aggregate unit areas listed in the offering plan although we have observed a range from about 10% to 33%. Gross floor area generally includes all areas from the outside surface of the outer walls. Therefore, most or all of the

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Real Estate Tax Projection

Page 5

common areas of the building, which are excluded from the unit areas, are included in DOF's measurement. However, space open to the sky, such as balconies, terraces and roof decks are not included in DOF's measurement of gross floor area. Floor area, other than amenity or commercial space, that is located below-grade or above the main roof may also be excluded in some cases.

In mixed-use buildings, DOF's estimate of gross residential floor area often appears to reflect the total gross area of the building, less the unit areas of the commercial and other nonresidential uses.

The actual method used to measure gross area varies from building to building. The use of gross floor area instead of the net areas commonly used in the residential sale and rental markets is not inherently inconsistent with appraisal theory. If the imputed rents are based on comparable buildings measured in the same manner, the resulting estimate may be valid. However, the use of gross floor area may introduce more apparent and actual variation in value estimates.

We observe that DOF's estimates of gross income are often substantially less than actual market rents, especially where the applicable rents would be near the top of the market. This produces values substantially less than those that would be obtained by conventional application of the income approach as used in appraisals for private purposes. DOF's estimates of operating expenses and capitalization rates tend to further increase this disparity.

In a few cases, DOF has apparently estimated incomes that approach or exceed market rent levels with the result that the assessed values and taxes per square foot are much greater than those of similar buildings. In the event DOF adopts a market rent for the Building, the resultant assessed values will be significantly greater than as projected herein.

DOF's capitalization rates for most residential buildings are nearly the same within each borough of the City. However, because of the variation in the income and expense estimates used by DOF, the resulting Full Value estimates per gross square foot vary substantially. The variations in the relationship between gross and unit areas may cause further variations in the value estimates when measured by unit floor area.

We have sought to be as accurate in our projections as possible based on DOF's current practices, as best they can be determined from observation and public information. In order to emulate DOF's current methods as closely as possible, we give greatest weight in our projections to the assessments of comparable properties. However, the wide variation in DOF's value estimates makes it highly likely that the assessment and taxes actually imposed on the property will vary, at least to some extent, from the assessments and taxes that we have projected, and that there will be other, similar properties with higher or lower taxes per square foot.

Further, there is no certainty that DOF's current practices will remain unchanged or that the indicators of market value will not change prior to completion of the Building resulting in the assessment and tax liability actually imposed on the property differing substantially from those that we have projected.

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Real Estate Tax Projection

Page 6

Generally, assessments change every year. Over the long term, values have increased steadily with very large percentage increases occurring for some buildings in some years. However, we observe that after a newly constructed building is assessed as complete, the annual assessments often change relatively little in the following years. We have not projected an increase in assessments over the current level for similar buildings.

DOF multiplies its estimated Full Value by its stated level of assessment of 45% to determine an Actual (or target) Assessment. The 45% level of assessment, which is determined administratively, has been in place since 1983. We have applied the 45% level of assessment in projecting the Actual Assessments.

State law provides for most year-over-year changes in Actual Assessments to be phased in over five years to determine a Transition Assessment. However, assessment changes attributed by DOF to new construction or renovation work are not phased in but added in full to both the Actual and Transition Assessments. As the Building will be newly constructed and much of its value will be attributed to construction work, its Actual and Transition Assessments will likely be similar.

DOF calculates a Taxable Assessment, which is the lesser of the Actual and Transition Assessment, after deduction of any partial exemption to which the property is entitled. We have been advised that no application has or will be made for a building-wide exemption. However, owners may benefit from individual exemptions or abatements that apply to their specific units. For purposes of this projection we have assumed that none of the units will benefit from a partial exemption. The cooperative/condominium abatement program is discussed below.

As part of its annual assessment, DOF determines the Tax Class of each tax lot. Buildings that are primarily residential in actual use or design and separately assessed residential condominium units are designated as Class 2 property.

Separately assessed commercial, community facility, parking and storage units are designated as Class 4 property.

DOF calculates the annual tax for the fiscal year by multiplying the Taxable Assessment by the tax rate for the tax lot's Tax Class. Tax rates are set annually as part of the City's budget process and are often adjusted retroactively after the initial bills are issued. Over the past twenty years, tax rates have increased and decreased each year, usually by relatively small increments. We have assumed for purposes of this projection that the most recent final tax rates will remain in effect for all of the fiscal years involved.

Real Property Tax Law § 467-a provides for a cooperative/condominium abatement program that, where applicable, commonly reduces the tax liability of eligible residential units by 17.5%. Buildings with building-wide exemptions, such as that provided by Real Property Tax Law § 421-a are not eligible.

In order to qualify for the abatement, the condominium's board of managers must file an initial or renewal application with DOF by February 15 prior to the beginning of the fiscal year. The unit must have been separately assessed and must have been owned on January 5 by an individual whose primary

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Real Estate Tax Projection

Page 7

residence was in the building. Units owned by sponsors or owners of more than three units in the building are not eligible. DOF will not grant the abatement if the unit was owned by an LLC, partnership or corporation. Units owned in trust may qualify provided the legal or beneficial owner is a primary resident.

Effective for the 2022/23 tax year, the abatement is available only if the board of managers submits an affidavit stating that it will pay building maintenance workers at the wage level prevailing for union workers in similar positions in the area.

The state legislative authority for the cooperative/condominium abatement has been periodically renewed since its first enactment in 1996. The current authorization expires prior to the end of the period involved in this projection. There is no assurance that the authorization will be renewed or, if renewed, that its requirements and limitations will not change. Further, if renewed, the eligibility of the individual units cannot be determined without additional information that is not available at this time. We have for purposes of these projections assumed that no abatement will be deducted from the gross tax liability.

Our projections of the assessments and tax liabilities for the first three years of condominium operation are set forth below. We assume for purposes of this projection that the units will be first separately assessed for the 2023/24 tax year. For prior tax years we project estimated taxes for the building as a whole and then allocate the taxes to the residential and commercial portions of the building.

Average assessed values and taxes per gross square foot of floor area are provided here to inform the reader with respect to the Building as a whole; these values are rounded and cannot be accurately used to estimate the assessed value or taxes for a specific unit. The tax estimates for specific units should be based on an allocation of the total projected tax.

Approximate Start of Construction	11/1/2020
Start of Condominium Operation	1/1/2023
Most Recent City Fiscal Year Assessments	2022/23

Residential Units

Per sq. ft.

Estimated gross floor area	253,595 sq. ft.	
Projected City Full Value as if Complete	\$92,984,870	\$367
Level of Assessment	45%	
Actual Assessed Value as if Complete	\$41,843,192	\$165
City Fiscal Year 2022/23		
Actual Assessed Value	\$21,871,844	\$86

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Real Estate Tax Projection
Page 8

Transition Assessed Value	\$21,871,844	
Taxable Assessed Value	\$21,871,844	
Projected Tax Rate	12.235%	
Projected Annual Tax	\$2,676,020	\$10.55
Projected Tax per Month	\$223,002	\$0.88

City Fiscal Year 2023/24

Estimated % Complete as of Jan. 5, 2023	95%	
Projected Actual Assessed Value	\$39,751,032	\$157
Projected Transition Assessed Value	\$38,749,797	
Projected Taxable Assessed Value	\$38,749,797	
Projected Tax Rate	12.235%	
Projected Annual Tax	\$4,741,038	\$18.70
Projected Tax per Month	\$395,086	\$1.56

City Fiscal Year 2024/25

Estimated % Complete as of Jan. 5, 2024	100%	
Projected Actual Assessed Value	\$41,843,192	\$165
Projected Transition Assessed Value	\$40,975,105	
Projected Taxable Assessed Value	\$40,975,105	
Projected Tax Rate	12.235%	
Projected Annual Tax	\$5,013,304	\$19.77
Projected Tax per Month	\$417,775	\$1.65

<u>First Year of Condominium Operation</u>	1/1/2023	to	12/31/2023
City Fiscal Year 2022/23	6 months at	\$223,002 =	\$1,338,010
City Fiscal Year 2023/24	6 months at	\$395,086 =	\$2,370,519
Projected Annual Tax			\$3,708,529

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Real Estate Tax Projection

Page 9

<u>Second Year of Condominium Operation</u>	1/1/2024	to	12/31/2024
City Fiscal Year 2023/24	6 months at	\$395,086 =	\$2,370,519
City Fiscal Year 2024/25	6 months at	\$417,775 =	\$2,506,652
Projected Annual Tax			\$4,877,171

<u>Commercial Units</u>		Per sq. ft.
Estimated gross floor area	9,164 sq. ft.	
Projected City Full Value as if Complete	\$5,091,111	\$556
Level of Assessment	45%	
Actual Assessed Value as if Complete	\$2,291,000	\$250
City Fiscal Year 2022/23		
Actual Assessed Value	\$920,206	\$100
Transition Assessed Value	\$920,206	
Taxable Assessed Value	\$920,206	
Projected Tax Rate	12.235%	
Projected Annual Tax	\$112,587	\$12.29
Projected Tax per Month	\$9,382	\$1.02

City Fiscal Year 2023/24		
Estimated % Complete as of Jan. 5, 2023	95%	
Projected Actual Assessed Value	\$2,176,450	\$238
Projected Transition Assessed Value	\$2,121,630	
Projected Taxable Assessed Value	\$2,121,630	
Projected Tax Rate	10.755%	
Projected Annual Tax	\$228,181	\$24.90
Projected Tax per Month	\$19,015	\$2.07

City Fiscal Year 2024/25

MARCUS & POLLACK LLP

Real Estate Tax Projection
Page 10

Estimated % Complete as of Jan. 5, 2024	100%	
Projected Actual Assessed Value	\$2,291,000	\$250
Projected Transition Assessed Value	\$2,243,470	
Projected Taxable Assessed Value	\$2,243,470	
Projected Tax Rate	10.755%	
Projected Annual Tax	\$241,285	\$26.33
Projected Tax per Month	\$20,107	\$2.19

<u>First Year of Condominium Operation</u>	1/1/2023	to	12/31/2023
City Fiscal Year 2022/23	6 months at	\$9,382 =	\$56,294
City Fiscal Year 2023/24	6 months at	\$19,015 =	\$114,091
Projected Annual Tax			\$170,384

<u>Second Year of Condominium Operation</u>	1/1/2024	to	12/31/2024
City Fiscal Year 2023/24	6 months at	\$19,015 =	\$114,091
City Fiscal Year 2024/25	6 months at	\$20,107 =	\$120,643
Projected Annual Tax			\$234,733

The foregoing analysis is based upon our experience with DOF assessment practices in respect to newly constructed properties held in the condominium form of ownership. Application of a particular approach to valuation when actually made may result in assessed valuations significantly more or less than estimated here.

These projections do not take into account potential future changes in market values, assessment practices, levels of assessment or tax rates.

Our projections are estimates based on our understanding of the current assessment practices of DOF. However, these practices have not been employed consistently by DOF, and it is therefore not possible to estimate the post-construction assessed valuation of this property with certainty. The assessment and tax liabilities, when actually determined by DOF, may be significantly more or less than as estimated herein.

While we believe our projections are well founded, they are not intended, and should not be construed as representations or warranties.

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Real Estate Tax Projection
Page 11

The relevant laws and practices of the DOF upon which these projections are predicated may in the future be revised in a manner adverse to the interests of the owners, or there may be an adverse interpretation of the law by one or more agencies of the City of New York, or the courts. We have not undertaken to advise you should we become aware of the changes in DOF's assessment practices or in the relevant laws or judicial precedents.

This letter was prepared at your request as Sponsor. Certain figures set forth herein are approximations derived from material submitted by you and are subject to change. We have not passed upon the accuracy of any figures or estimates contained in the Offering Plan and offer no warranties of the amount of any tax liabilities for any period.

We consent to the inclusion of this letter in the Offering Plan.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Marcus & Pollack", written in dark ink.

Marcus & Pollack LLP

AA. WORKING CAPITAL FUND AND THE RESERVE FUND AND APPORTIONMENTS

The Purchaser of each Residential Unit shall be required to make a contribution at the Closing of his Unit(s) to the working capital fund of the Residential Section (the “Working Capital Fund”), and the Reserve Fund. Such contributions shall each be in an amount equal to one (1) month’s Common Charges in effect for such Unit(s). No reserve fund is being established for the Condominium.

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

- (1) employees’ wages, vacation and severance pay, pension and welfare benefits and accruals and all other payments or obligations relative to the employees of the Building;
- (2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;
- (3) charges for electricity and other utilities for the General and Limited Common Elements;
- (4) cost of fuel on hand (plus sales tax), if any;
- (5) charges and receipts in connection with service, maintenance and concession contracts;
- (6) water charges and sewer rents on the basis of the fiscal or calendar year for which assessed (unless separately assessed to individual Units);
- (7) cost of Building supplies on hand at Sponsor’s cost (including sales tax);
- (8) premiums for transferable insurance policies, if any;
- (9) management fees; and
- (10) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted at the First Closing because they are not fully ascertainable, they shall be apportioned and adjusted to the extent reasonably possible at the First Closing, and final adjustment will be made as soon thereafter as the undetermined amounts are ascertained. Except as herein otherwise expressly provided, the customs in respect to title closings adopted by the Real Estate Board of New York, Inc., as amended, shall apply to apportionments and other matters herein mentioned.

The Working Capital Fund will be held and used for the items described in 1-10 above, and to pay for repairs and replacements to the Residential Common Elements for the Residential

Section's share of the cost of repairs and replacements to the General Common Elements and may be augmented by allocations from the monthly Residential Common Charges collected from each Residential Unit. While Sponsor controls the Condominium Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Residential Common Charges.

No representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Residential Common Charges or Residential Common Charges attributable to Unsold Residential Units.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, a Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws each Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund.

In the Board's discretion, subject to the terms of the By-Laws, the Board may decide in the future to establish a reserve fund or pay for necessary repairs or capital items to the Limited Common Elements by special assessment or by increasing Residential Common Charges.

BB. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

1. Management Agreement

The Condominium Board will enter into a management agreement with FirstService Residential New York, Inc., a company organized under the laws of the State of New York, and having a New York address at 622 Third Avenue, New York, NY 10017, as the Managing Agent. The principals of the Managing Agent are not affiliated with Sponsor or its principals.

The management agreement provides for a term of one (1) year, subject to the right of either party to cancel upon sixty (60) days prior written notice, with or without cause.

The Managing Agent will receive an annual fee of \$70,000.00 payable in equal monthly installments for the first year. This fee is at prevailing rates. The Board shall also reimburse the Managing Agent for expenses incurred at the Managing Agent's office such as postage, photocopying, long distance telephone calls, payment envelopes, facsimiles, etc. In addition, the Managing Agent shall receive the following per Unit payments for the preparation, distribution and processing of the following required forms and filings: (i) \$18.00 per Unit for Window Guard and Lead-Based Paint Notification; (ii) \$18.50 per Unit for Fire Safety Preparedness and Notification; (iii) and \$8.00 per Unit for tax abatement credits.

In addition to the compensation paid to the Managing Agent by the Board, the Managing Agent shall be entitled to receive the following compensation from Unit Owners for the Managing Agent's services rendered to Unit Owners:

- (1) For the Processing of Purchase and Lease Applications. Managing Agent may charge the Residential Unit Owners who make an application to lease their Residential Units or sell their Residential Units or the applicant(s) a processing fee in the amount of \$750.00, which fee may be increased to cover the costs of additional or special consumer reports in the event they are required and photocopy and messenger costs, if any. In the event that Managing Agent attends a closing on the sale of each Residential Unit, an additional fee may be charged.
- (2) For Coordination and Assistance with Financing or Refinancing. Managing Agent may charge Residential Unit Owners who finance or refinance their Residential Unit or purchasers obtaining financing on acquisition, a fee for its coordination and assistance with a Unit Owner's financing or refinancing of its residential mortgage(s).
- (3) For Processing of Lease Renewals. Managing Agent may charge Residential Unit Owners who make an application to renew or extend leases with the same tenant, a processing fee of \$300.00.
- (4) For Assisting with Unit Owner Alterations. Managing Agent shall accept applications from Residential Unit Owners who desire to make alterations to their

Residential Units. Managing Agent shall submit such applications to the Residential Committee and assist the Residential Unit Owner and the Board with the application and all approved alterations pursuant to the applicable requirements.

- (5) For Assisting with Collections. Managing Agent may charge Residential Unit Owners who's accounts, on a per attorney file bases, are turned over to the Residential Committee's attorney a fee for collection and/or when the Residential Committee decides to garnish the rent of Residential Units leased by delinquent Resident Unit Owners. In the event that the Managing Agent is required and/or so requested by such attorney to appear in court, Managing Agent may charge Resident Unit Owner an additional fee of \$85.00 per hour.

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

- (i) Property Management Services. Provide for the operation, maintenance, repair, and cleaning of the Building, to the extent required or authorized under the Declaration and in accordance with the approved budget of the Condominium and the direction of the Board.
- (ii) Meetings of Condominium. Prepare and send out all notices of meetings of the Condominium, the Board or the Residential Unit Owners, and such other letters and reports as the Board may request and, when requested, arrange for a suitable meeting place and assist with the preparation of agendas for such meetings. Cause a representative to attend one (1) Board meeting per month, annual meetings and special meetings of the Board and Unit Owners; prepare minutes of such meetings.
- (iii) Budgets. Assist the Board in preparing an operating budget. Agent shall provide a draft of such budget prior to the last meeting of the Board held in each fiscal year of the Condominium. The budget will set forth the anticipated income and expenses for the Board for the ensuing year, a comparison of such budget to the income and expenses of the preceding and current years, and any reasonably required explanations with respect thereto.
- (iv) Collections. Distribute invoices and take all other actions necessary to bill and collect all common charges, assessments and other amounts due and payable by the Residential Unit Owners.
- (v) Personnel. Provide routine supervision of all persons necessary to be employed in order to properly maintain and operate the Building.
- (vi) Residential Books and Records. Set up and maintain the records and accounts of the Condominium and render monthly statements.

- (vii) Tax Certiorari. Cooperate with tax certiorari attorneys.
- (viii) Soliciting Contracts. Subject to the directions of the Board, solicit contracts for goods and services reasonably necessary for the operation, maintenance and repair of Board Maintained Areas. The Board shall establish the standards and specifications for the approval of all contracts. All such contracts shall be entered into in the name of the Board and shall be signed by an authorized representative of the Board. Except for emergency repairs, whenever practical or at the request of the Board, all repairs anticipated to cost more than \$2,500 shall only be undertaken after obtaining competitive proposals from at least two (2) third party contractors.
- (ix) Compliance with Laws. Recommend and, with the approval of the Board, take such action as may be necessary to comply with any and all orders, violations or requirements affecting the Condominium or Building by any federal, state, county, municipal authority or any order of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body have jurisdiction.
- (x) Insurance. Interact with the Board's insurance agents and brokers for the purchase and/or renewal of insurance policies and in making any claims thereunder.
- (xi) Bill Payment. Review all bills received for services, work and supplies ordered in connection with maintaining and operating the Building; and pay all such bills, as and when same shall become due and payable.
- (xii) Tax Returns, Forms Etc. Cause to be prepared and filed, for the Condominium, the necessary forms for unemployment insurance, social security taxes, and all other tax forms. Cooperate with accountants in performing annual audits and tax returns. Send out all letters, reports and newsletters as the Board may request.
- (xiii) Alteration Requests. Process on behalf of the Condominium requests from the Residential Unit Owners for Board approval, or any duly authorized committee thereof, of any alterations proposed to be made any Residential Unit that require notice to or approval of the Board or any committee thereof under the terms of the Declaration.
- (xiv) Residential Moving Coordination. Coordinate through the Building Services Employees and supervise the moving in and moving out of Residential Unit by Residential Unit Owners (and their tenants),

and, as far as reasonably possible, arrange the dates thereof so that there shall be a minimum disturbance to the operation of the Residential Units and of inconvenience to other Residential Unit Owners and tenants. Accept applications and references from all prospective Residential Unit Owners and tenants.

- (xv) Condominium Duties. Consider and attend to complains of Unit Owners, lawful tenants, subtenants and occupant. To the extent not addressed in subparagraphs (a) through (n) above, exercise all other powers and perform all other duties that have been assigned to the Condominium under the Declaration as its agent. Without limiting the generality of the foregoing, the Managing Agent shall assist the Board in enforcing its rights and remedies under the Declaration.

The Managing Agent shall not be obligated to make any advance to or for the account of the Board, but in the event that the Managing Agent incurs any liability or obligation for the account of the Board, within its authorized duties, the Board shall reimburse the Managing Agent promptly for any monies that the Managing Agent may elect to advance for the Account of the Board. The Board shall indemnify the Managing Agent against liability for authorized acts arising out of the Management Agreement, excluding acts of gross negligence or willful misconduct.

2. **Regulatory Agreement**

Paragon JV Prop III LLC, an affiliate of Sponsor (the “Applicant”) entered into a Regulatory Agreement with the City of New York dated May 28, 2021 and recorded on June 8, 2021 in the Office of the City Register of the City of New York as CRFN 2021000214403 (the “Regulatory Agreement”). All capitalized terms used in this Section 2 and undefined shall be defined in accordance with their meaning provided in the Regulatory Agreement.

The Regulatory Agreement provides that Unit 2E at the Condominium shall be an Affordable Housing Unit (the “Affordable Housing Unit”), to be occupied by families having income less than or equal to the Low Income Limit. The Regulatory Agreement provides that construction of the Affordable Housing Unit be completed within three (3) years of execution of the Regulatory Agreement.

Unit Owners should note that the Regulatory Agreement provides for certain obligations related to the Affordable Housing Unit, including but not limited to the following:

- (1) Initial Price and Operating Expenses. The Affordable Housing Unit shall be offered to an Eligible Buyer for no more that the Initial Price set forth in the Regulatory Agreement. The Operating Expenses are also set forth in the Regulatory Agreement.
- (2) Deed Restrictions. The deed for the Affordable Housing Unit, and each subsequent deed, shall include language that states the purchaser shall assume the duties and

obligations of the Regulatory Agreement, the New York City Zoning Resolution and the inclusionary Housing Program Guidelines. Notwithstanding a purchaser's assumption of the duties and obligations, any successor of Applicant, including the Condominium Board, are also obligated to comply with the terms of the Regulatory Agreement.

- (3) Operating Reserve Account, Capital Reserve Account and Administering Agent Reserve Account. Once the Affordable Housing Unit is issued a Certificate of Completion, the Applicant shall fund an Operating Reserve Account in an amount equal to Eleven Thousand, Seven Hundred Fifty Seven Dollars (\$11,757.00), representing six (6) months of projected maintenance and operating costs of the Affordable Housing Unit. These funds shall be placed in a blocked reserve account to be administered by the Department or its designee, and are separate from any Building operating reserve fund. The Applicant shall also fund a Capital Reserve Account in the amount of One Thousand, Nine Hundred Twenty-Eight Dollars and Twenty-Five Cents (\$1,928.25). This amount is based on a price per square foot of the Affordable Housing Unit, and is subject to recalculation by the Department of Buildings. These funds shall also be placed in a blocked reserve account to be administered by the Department or its designee. The Administering Agent Reserve Account shall initially be financed by Applicant, and then shall be funded by a Flip Tax and resale of the Affordable Housing Unit.
- (4) Administering Agent. Any successor of Applicant, including the Condominium Board, shall be the assignee of a contract with the Housing Partnership Development Corporation, a not-for profit organization qualified by the Department of Housing Preservation and Development, to act as Administering Agent and to ensure that the sale and resale of the Affordable Housing Unit are in compliance with the filed Affordable Housing Plan and requirements of the New York City Zoning Resolution and the inclusionary Housing Program Guidelines.
- (5) Insurance Requirements. Any successor of Applicant, including the Condominium Board, shall ensure that the Condominium maintain adequate insurance for the Building and that the Declaration provide the Unit Owners maintain adequate insurance for their respective Units, as further detailed in the Regulatory Agreement.
- (6) Casualty. In the event of a casualty to the Building, then any successor of Applicant, including the Condominium Board, shall notify the Department of Housing Preservation and Development and shall ensure that the Affordable Housing Unit is restored and reconstructed in accordance with the terms of the Regulatory Agreement.
- (7) Inspection. The Department shall have full authority to inspect the Affordable Housing Unit without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. The Department shall have authority to inspect the Affordable Housing

Unit other than during business hours on three (3) days prior notice.

- (8) Books of Records. The Department shall have full authority to inspect the books and records of Applicant and the Administering Agent without prior notice during business hours and Applicant and the Administering Agent shall cooperate fully with the Department in any such inspection. Applicant and the Administering Agent shall furnish copies of all books and records with respect to the Affordable Housing Unit, to the Department, without cost to the Department, upon five (5) day's prior written request.
- (9) Restrictions on the Affordable Housing Unit, Building and Premises. Any successor of Applicant, including the Condominium Board, shall not mortgage or encumber the Affordable Housing Unit without prior written consent of the Department.
- (10) Assignment. After the issuance of the Completion Notice and the filing of an amendment to the Declaration of Condominium disclosing that Applicant has relinquished control of the Condominium, Applicant may assign its obligations under the Regulatory Agreement to the Condominium Board pursuant to an Assignment and Assumption Agreement.

CC. IDENTITY OF PARTIES

1. Sponsor

Sponsor is PARAGON JV PROP III LLC, a Delaware limited liability company, with an office at c/o JVP Management LLC, 767 Fifth Avenue, 12th Floor, New York, New York 10153.

The principal of Sponsor are Van Nguyen and John Illuzzi, having an office address c/o Sponsor at 767 Fifth Avenue, 12th Floor, New York, New York 10153. Mr. Nguyen and Mr. Illuzzi have been active in real estate development in the City of New York.

Mr. Nguyen has been a principal of sponsor for the following cooperative or condominium offerings in the State of New York in the preceding five years:

Address of Property	AG File No.	AG Filing Date
The 430 East 58 th Condominium		Not yet filed

Mr. Illuzzi has not been a principal of sponsor for any cooperative or condominium offering in the State of New York in the preceding five years.

There have been no prior felony convictions of Sponsor, or any principal of Sponsor and no prior convictions, injunctions and judgments against Sponsor, or any principal of Sponsor that may be material to the Plan or an offering of securities generally that occurred within 15 years prior to the submission of the Plan.

Sponsor and the principal of Sponsor have designated the Secretary of State for service of process.

Sponsor and its principal are current in their obligations with respect to the offerings, if any, stated above.

2. Attorneys for Sponsor

Sponsor has retained the law firm of Holland & Knight LLP, having an office at 31 West 52nd Street, New York, New York 10019 to represent it in connection with the Plan (“Sponsor’s Counsel”). Holland & Knight LLP prepared the Plan, the Declaration, the By-Laws and the forms of Agreement, Residential Unit Deed and Residential Unit Power of Attorney and has also rendered an opinion with respect to the availability of income tax deductions to purchasers of Residential Units and compliance with Section 339-i of the Real Property Law. Stuart M. Saft, Esq. had principal responsibility for the preparation of the Plan. Holland & Knight LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Unit Closings.

Sponsor has retained Marcus & Pollack LLP, having offices at 1501 Broadway, 22nd Floor, New York, NY 10036 to represent it in connection with the Real Estate Taxes.

3. **Sponsor's Architects/Engineers**

The architect for the Building is Thomas Juul-Hansen, LLC and Stephen B. Jacobs Group PC, having an office at 381 Park Avenue South, New York, New York 10016, which has had extensive experience in residential design and overall planning.

WSP USA having an office at One Pennsylvania Plaza, 2nd Floor, New York, New York 10119, is the mechanical and structural engineer for the Building. WSP is a full service consulting engineering firm specializing in mechanical, electrical, plumbing, fire protection, fire alarm and telecommunications design services.

4. **Sponsor's Budget Expert**

FirstService Residential having an office at 622 Third Avenue, New York, NY 10017, estimated all amounts of income and expenses in the projected "Budget for First Year of Condominium Operation, Schedule B", in consultation with Sponsor and provided its opinions regarding the adequacy of the Budget, the adequacy of the Common Charges payable by the Non-Residential Unit Owner and Sponsor's compliance with Section 339-i of the Real Property Law.

DD. REPORTS TO UNIT OWNERS

It is the obligation of the Condominium Board to give all Unit Owners annually:

- (1) A certified financial statement of the Condominium prepared by a certified public accountant within 120 days after the end of the Condominium's fiscal year;
- (2) Prior written notice of the Annual Meeting of Unit Owners; and
- (3) A copy of the proposed annual budget for the Condominium at least 10 days prior to the date set for adoption by the Condominium Board and while the Sponsor is in control of the Condominium Board, such budget shall be certified pursuant to 13 NYCRR §20.4(d).

EE. DOCUMENTS ON FILE

Pursuant to the provisions of Section 352-e of the GBL, copies of the Plan and all exhibits or documents referred to herein shall be available for inspection by prospective Purchasers, and by any person who shall have purchased a Unit offered by the Plan or shall have participated in the offering of such Unit, at Sponsor's office and shall remain available for such inspection for a period of six years all without charge and for copying for a reasonable charge. In addition, a set of Floor Plans showing the layout, locations and approximate dimensions of each Unit and its unit number designation and tax lot number, certified by the appropriate governmental authority of The City of New York as conforming to the official tax lot number for each such Unit, will be filed in the City Register's Office following the recording of the Declaration, and an additional set will be furnished to the Condominium Board.

The Declaration and the By-Laws will be recorded in advance of or concurrently with the First Closing. The recording of all deeds conveying individual Units will also be in the City Register's Office.

FF. GENERAL

The Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that the Plan contains a fair summary of the material provisions of the documents referred to in the Plan, including those documents contained in Part II of the Plan. Exact copies are contained in Part II of the Plan of the form of Declaration, form of By-Laws, form of Agreement, form of Residential Unit Deed, form of Residential Unit Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of the Plan in their entirety. Statements made in Part I of the Plan as to the provisions of such documents or any other document referred to herein, copies of which are on file with Sponsor, are necessarily not complete. Each such statement is qualified in all respects by the contents of such documents and, in the case of any such document executed by or with the written consent of a Purchaser pursuant to the Plan, any rider or separate agreement changing or adding provisions to such document.

Under applicable federal and local Law, leaded paint can no longer be used in the construction of the Building.

There are no lawsuits or other legal proceedings now pending, or any judgments outstanding, which could materially and adversely affect this offering, the Purchasers of Residential Units, the Property, the Condominium or the operation thereof, which are not covered by insurance.

No party other than the respective Purchasers shall have any right or benefit herein or herefrom, including without limitation, the right to insist upon or enforce against Sponsor the performance of all or any of Sponsor's obligations hereunder and no such third party shall be deemed to have received any benefit as a result of any of the provisions of the Plan.

Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to the Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under the Plan. However, Sponsor may not unilaterally cancel an Agreement which is in effect, except as therein provided, as in the case of an uncured default, nor unilaterally change the Purchase Price or payment terms contained in such Agreement. All substantive or material revisions will be contained in a duly filed amendment to the Plan. If there is a substantial amendment to the Plan that materially adversely affects Purchasers, except as otherwise provided herein, Purchasers will have a right of rescission which may only be exercised not less than 15 days from the date of presentation of said amendment. Sponsor shall promptly return any Option Payment, together with any interest thereon, to Purchasers who rescind, except that Sponsor shall retain the Option Payment (and any interest thereon) of any Purchaser who is in default under the Agreement beyond any applicable grace period.

In accordance with the provisions of the Laws of the State of New York, neither Sponsor nor any selling agent engaged by Sponsor will discriminate against any person in the sale of Units offered by the Plan or in the leasing of any such Units because of such person's sex, race, creed,

color, national origin, marital status, age, disability or any other ground proscribed by Law.

Unless the context otherwise requires, words used in the singular in Part I of the Plan include the plural and vice versa, and a reference herein to any one gender, masculine, feminine or neuter, includes the other two.

No person has been authorized to make any statement or representation or furnish any information not expressly contained herein. Any information, data, or representations not contained herein or in the documents and exhibits referred to herein must not be relied upon. The Plan may not be changed or modified orally.

The Property and the Buildings have not been the subject of any prior public offerings.

No cooperative interest in realty or condominium unit has been offered for sale and no reservations, binding or non-binding, will be made until this Plan has been accepted for filing by the Department of Law. No deposits will be accepted by Sponsor until this Plan has been accepted for filing by the Department of Law.

No Units offered in the Building are occupied by residential or Non-Residential tenants as of the date of submission of the Plan to the Department of Law.

No contracts or agreements have been entered into and no deposits or advances of funds have been accepted as of the date the Plan is accepted for filing.

GG. DEVELOPMENT RIGHTS

All excess Development Rights otherwise appurtenant to the Property and not used in connection with the Building as described in this Plan as of the recordation of the Declaration will be conveyed to the Sponsor or its assignee (the “Development Rights Owner”). As a result, unless Development Rights are separately acquired therefor on behalf of the Condominium or a Unit Owner, as the case may be, any future expansion of the Building by the Board or of a Unit by any Unit Owner as may otherwise be permitted pursuant to any applicable Legal Requirements, may not be possible or may be limited. Further, as a result of such reservation by the Development Rights Owner, the Development Rights Owner may transfer or sell such Development Rights to the owner(s) of adjoining properties and in such case such properties may be increased as a result of such transfer or sale.

The Development Rights reserved by the Development Rights Owner will not be used to add additional floors to the top of the Building. The Development Rights reserved by the Development Rights Owner may be used in the case of a sale or transfer for use in connection with other properties. In the event such excess Development Rights are transferred to the owner(s) of adjoining properties, a Unit Owner’s views and exposure to light may be affected.

HH. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property set forth as Exhibit 8 in Part II of the Plan and represents that it has no knowledge of any material defects or need for major repairs to the Property.