

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

CONDOMINIUM OFFERING PLAN FOR
THE CROWN12 CONDOMINIUM
12-34 CROWN STREET
BROOKLYN, NEW YORK 11225

	Price to Tenant Purchases*	Price to Non-Tenant Purchasers
TOTAL PURCHASE PRICE FOR 84 RESIDENTIAL UNITS	\$63,626,100.00	\$74,852,000.00
TOTAL PURCHASE PRICE FOR 10 STORAGE LOCKER LICENSES	\$ 100,000.00	\$ 100,000.00
RESERVE FUND**	\$ 1,908,783.00	\$ 1,908,783.00
WORKING CAPITAL FUND***	\$ 0.00	\$ 0.00

* See the Section entitled "Rights of Existing Tenants" for a discussion of the rights of bona fide tenants to buy their own Residential Units during the first 90 days of this offering.

** This is an estimate of the minimum amount of the Reserve Fund required under the terms of a law enacted by the New York City Council without deduction for credits allowed to Sponsor. The actual amount cannot now be determined. See the Section entitled "Reserve Fund."

*** The Purchaser of each Residential Unit shall be required to make a contribution to the Working Capital Fund. See the Section entitled "Working Capital Fund and Apportionments."

The Condominium will have a total of 84 Residential Units and 1 Commercial Unit. 84 Residential Units are being offered for sale hereby. (The Superintendent's Apartment is included in the Residential Common Elements.)

SPONSOR

12 REALTY ASSOCIATES LLC
ONE PENN PLAZA, SUITE 4000
NEW YORK, NEW YORK 10119
(212) 564-2111

SELLING AGENT

KELLER WILLIAMS NYC
1155 AVENUE OF THE AMERICAS, 6th FL
NEW YORK, NEW YORK 10036
(212) 838-3700

The term of the initial offering of this Plan commenced on _____ and expires on _____, unless the said date is extended in a duly filed amendment.

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

THIS OFFERING PLAN IS SPONSOR'S ENTIRE OFFER TO SELL THESE RESIDENTIAL UNITS. NEW YORK LAW REQUIRES 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 RESIDENTIAL UNIT. FILING WITH THE DEPARTMENT OF LAW DOES NOT MEAN THAT THE DEPARTMENT OR ANY OTHER GOVERNMENT AGENCY HAS APPROVED THIS OFFERING.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS.

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PART I**SPECIAL RISKS TO BE CONSIDERED BY PURCHASERS**

(See the “Definitions” Section of this Plan for definitions of capitalized terms used but not defined in this Section.)

The following Special Risks are reasonably believed by Sponsor to involve significant risks to Purchasers or be reasonably likely to affect disproportionately or unusually the Common Charges or obligations of Residential Unit Owners in future years of Condominium operation. However, the foregoing does not reflect all of the material terms of the offering, which are set forth in detail in this Plan, certain of which may be deemed by some Purchasers and not others to involve significant risks. Therefore all Purchasers should carefully review the entire Plan for complete disclosure of the terms of the offering before deciding whether or not to purchase a Residential Unit.

1. The following Department of Building (“DOB”) violations have been issued in connection with the condition of the Building’s elevators: 9027/519035; 9027/519036; 9027/551166; and 9027/551168. Sponsor intends to modernize the elevators, 2 passenger cars, new main machines and new controllers (estimated cost \$295,000) and take a credit against the Reserve Fund for the aforesaid work. Upon completion of modernizing the elevators the aforesaid violations will be cleared.

As of July 20, 2017 the below Department of Housing Preservation and Development (“HPD”) violations are open at the Building: (A class: 4; B class: 40; C class: 6). As indicated below, Sponsor has completed the work required to remediate the below listed HPD violations at Sponsor’s cost and expense. However, as indicated below, some tenants did not provide access to HPD at dismissal inspection so the violation(s) remain(s) of record. Additionally, Sponsor is unable to complete work in Residential Units where tenants do not provide access to Sponsor. Sponsor estimates the cost to complete the remaining work to be less than \$10,000. Sponsor estimates the time to remove of record the violations to the common areas of the Building to be approximately 24 weeks.

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
-	8/18/2016	10/6/2016	B	506	11355367	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING PROTECTION CAPS /COVER AT ELECTRICAL OUTLET AT 2ND EAST STAIRS POLE,CENTER SECTION AT PUBLIC HALL, 1st STORY
-	8/18/2016	10/6/2016	B	506	11353505	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS /COVER FOR ELECTRICAL OUTLET AT SOUTH AND WEST WALL AT CENTER SECTION AT PUBLIC HALL, 1st STORY
-	8/18/2016	10/6/2016	B	505	11353510	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE BROKEN OR DEFECTIVE NORTH HAND RAIL AT WEST STAIRS AT CENTER SECTION AT PUBLIC HALL, 1st STORY
-	9/28/2016	11/16/2016	B	506	11409602	5523902	nov sent	9/26/2016	9/28/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING NORTH HANDRAIL AT STAIR AT PUBLIC HALL, 1st STORY, SECTION AT WEST
-	11/28/2016	12/11/2016	C	672	11538187	5621042	nov sent	11/23/2016	11/28/2016	completed	§ 27-2033 ADM CODE PROVIDE READY ACCESS TO BUILDINGS HEATING SYSTEM DOOR LOCKED AT CELLAR
-	2/21/2017	4/11/2017	B	539	11657680	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES (FLOWER POTS) AT THE 3RD STACK FROM EAST ON THE NORTH EXTERIOR WALL, 3RD

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											STORY BALCONY, AT FIRE ESCAPE
-	2/21/2017	4/11/2017	B	539	11657687	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES (FLOWER POTS) AT THE 2ND STACK FROM EAST ON THE NORTH EXTERIOR WALL, 4TH STORY BALCONY, AT FIRE ESCAPE
-	2/21/2017	4/11/2017	B	530	11657705	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE ARRANGE AND MAKE SELF-CLOSING THE DOORS (FIRE DOORS) AT PUBLIC HALL, 4th STORY
-	3/31/2017	5/19/2017	B	539	11711793	5716782	nov sent	3/29/2017	3/31/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES CONSISTING OF FLOWER POTS ON THE 4TH STORY BALCONY AT THE BUILDING FRONT, CENTER STACK, AT FIRE ESCAPE
-	3/31/2017	5/19/2017	B	539	11711795	5716782	nov sent	3/29/2017	3/31/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES CONSISTING OF A PROTRUDING AIR CONDITIONING UNIT AND FLOWER POTS ON THE 3RD STORY BALCONY AT THE BUILDING FRONT, WEST STACK, AT FIRE ESCAPE

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
-	4/3/2017	4/16/2017	C	672	11717240	5718502	nov sent	4/1/2017	4/3/2017	completed	§ 27-2033 ADM CODE PROVIDE READY ACCESS TO BUILDINGS HEATING SYSTEM DOOR TO BOILER ROOM LOCK AT CELLAR
-	4/21/2017	6/9/2017	B	506	11735574	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING HAND RAIL AT BUILDING ENTRANCE RAMP
-	4/21/2017	6/9/2017	B	539	11735564	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES HOUSEHOLD ITEMS ON BALCONY, WEST STACK OF BUILDING FRONT AT FIRE ESCAPE, 4th STORY
-	4/21/2017	6/9/2017	B	506	11735569	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS AND COVER AT ELECTRICAL OUTLET SOUTH, WEST AND NORTH WALLS,CENTER SCETION AT PUBLIC HALL, 1st STORY
-	4/21/2017	6/9/2017	B	506	11735572	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS AND COVER AT ELECTRICAL OUTLET EAST 2ND PILASTER ,CENTER SECTION AT PUBLIC HALL, 1st STORY
1B	8/12/2016	8/25/2016	C	510	11338919	5492188	nov sent	8/3/2016	8/12/2016	completed	§ 27-2005 ADM CODE & 309 M/D LAW ABATE THE NUISANCE CONSISTING OF SEALED SECONDARY FIRE EXIT DOOR IN THE 1st ROOM FROM EAST LOCATED AT APT 1B, 2nd

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											STORY, 4th APARTMENT FROM WEST AT NORTH
2D	8/10/2016	9/28/2016	B	568	11344493	5490363	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 2nd STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/10/2016	9/28/2016	B	569	11344496	5490363	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF MICE IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 2nd STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	508	11344529	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR EAST AND NORTH WALLS IN THE FOYER LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	501	11344541	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR THE BROKEN OR DEFECTIVE AND MAKE OPERATIVE THE BELL-BUZZER / INTERCOM SYSYTEM AT NORTH WALL IN THE FOYER LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	508	11344542	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR NORTH WALL IN THE KITCHEN LOCATED AT APT 2D, 4th

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/16/2016	10/4/2016	B	502	11344466	5494199	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD HEADER JAMB CASING AT WINDOW FRAME IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	2/21/2017	4/11/2017	B	598	11657574	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2026 ADM CODE REPAIR THE BROKEN OR DEFECTIVE CONNECTION AT THE WASTE LINE UNDER THE SINK IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	4/11/2017	B	568	11657575	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	4/11/2017	B	501	11657673	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005 ADM CODE PROPERLY REPAIR THE BROKEN OR DEFECTIVE INTERCOM SYSTEM FROM THE BUILDING ENTRANCE TO THE APARTMENT LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	6/10/2017	A	509	11657570	5687897	invalid cert	2/17/2017	6/8/2017	completed	§ 27-2005 ADM CODE PROPERLY SECURE THE LOOSE FAUCET AT THE SINK IN THE KITCHEN

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
3F	8/2/1994	11/25/1994	A	529	1268692	899191	not complied	7/19/1994	7/28/2016	completed	§ 27-2005 adm code refit window frames north east north west rooms 6 sty north east apt 3f. , section " "
5E	9/22/2014	11/10/2014	B	502	10389502	4919077	not complied	9/19/2014	7/28/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD FLOOR IN THE PRIVATE HALLWAY LOCATED AT APT 5E, 5th STORY, 2nd APARTMENT FROM EAST AT SOUTH , SECTION AT EAST
5E	9/23/2014	11/11/2014	B	502	10389453	4919874	not complied	9/19/2014	7/28/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD FLOOR IN THE 4th ROOM FROM NORTH LOCATED AT APT 5E, 5th STORY, 2nd APARTMENT FROM EAST AT SOUTH , SECTION AT EAST
9C	6/12/2017	7/31/2017	B	550	11820609	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 HMC:TRACE AND REPAIR THE SOURCE AND ABATE THE NUISANCE CONSISTING OF MOLD ... APPX. (4 SQ FT) SOUTH WALL IN THE BATHROOM LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	569	11820610	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF MICE IN THE ENTIRE APARTMENT LOCATED AT APT

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	9/29/2017	A	556	11820604	5772244	nov sent	6/8/2017	6/12/2017	completed	§ 27-2013 ADM CODE PAINT WITH LIGHT COLORED PAINT TO THE SATISFACTION OF THIS DEPARTMENT ., 1st DOOR FROM SOUTH AT WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	568	11820611	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820605	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT EAST WALL, SOUTH WALL, WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	9/29/2017	A	556	11821279	5772244	nov sent	6/8/2017	6/12/2017	completed	§ 27-2013 ADM CODE PAINT WITH LIGHT COLORED PAINT TO THE SATISFACTION OF THIS DEPARTMENT ALL PEELING PAINT SURFACES IN THE PRIVATE HALLWAY , THE BATHROOM , THE 2nd ROOM FROM EAST LOCATED AT APT

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820606	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT SOUTH WALL IN THE PRIVATE HALLWAY LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/15/2017	C	617	11821280	5772246	nov sent	6/8/2017	6/12/2017	completed	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1st DOOR FRAME FROM SOUTH AT WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820607	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT NORTH WALL, CEILING IN THE 2nd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
9C	6/12/2017	7/31/2017	B	508	11820608	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT SOUTH WALL, WEST WALL, NORTH WALL IN THE BATHROOM LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9D	8/5/2016	9/23/2016	B	521	11338955	5487363	invalid cert	8/3/2016	9/22/2016	completed	§ 27-2005, 2007 ADM CODE FIRE EGRESS DEFECTIVE. REMOVE OBSTRUCTING BARS OR UNLAWFUL GATES FROM WINDOW TO FIRE ESCAPE OR PROVIDE APPROVED TYPE GATE .. IN THE KITCHEN LOCATED AT APT 9D, 4th STORY, 1st APARTMENT FROM EAST AT SOUTH
A9	4/3/2017	4/14/2017	C	670	11717233	5718762	nov sent	4/1/2017	4/3/2017	completed	§ 27-2031 ADM CODE PROVIDE HOT WATER AT ALL HOT WATER FIXTURES IN THE ENTIRE APARTMENT LOCATED AT APT A9, 1st STORY, 1st APARTMENT FROM EAST AT SOUTH
B2	9/27/2013	11/15/2013	B	508	9985772	4698452	not complied	9/25/2013	7/28/2016	completed	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color the ceiling in the bathroom located at apt b2, 2nd story, 5th apartment from west at north
B2	9/27/2013	11/15/2013	B	508	9985776	4698452	not complied	9/25/2013	7/28/2016	completed	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color the ceiling inside shower stall in the bathroom located at apt b2, 2nd

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											story, 5th apartment from west at north
B9	11/25/2016	12/6/2016	C	670	11538178	5617863	nov sent	11/23/2016	11/25/2016	completed	§ 27-2031 ADM CODE PROVIDE HOT WATER AT ALL HOT WATER FIXTURES IN THE ENTIRE APARTMENT LOCATED AT APT B9, 2nd STORY, 6th APARTMENT FROM EAST AT SOUTH
B9	11/28/2016	1/16/2017	B	702	11538179	5621041	nov sent	11/23/2016	11/28/2016	completed	§ 27-2045 ADM CODE REPAIR OR REPLACE THE SMOKE DETECTOR DEFECTIVE LOCATED AT APT B9, 2nd STORY, 6th APARTMENT FROM EAST AT SOUTH
F3	12/14/2015	2/1/2016	B	1502	11032858	5324199	not complied	12/10/2015	7/28/2016	completed	§ 27-2046.1, 2046.2 HMC: PROVIDE AN APPROVED AND OPERATIONAL CARBON MONOXIDE DETECTING DEVICE, INSTALLED IN ACCORDANCE WITH APPLICABLE LAW AND RULES. IN THE ENTIRE APARTMENT LOCATED AT APT F3, 6th STORY, 6th APARTMENT FROM WEST AT NORTH
F3	12/14/2015	2/1/2016	B	702	11032861	5324199	not complied	12/10/2015	7/28/2016	completed	§ 27-2045 ADM CODE REPAIR OR REPLACE THE SMOKE DETECTOR MISSING IN THE ENTIRE APARTMENT LOCATED AT APT F3, 6th STORY, 6th APARTMENT FROM WEST AT NORTH
F9	3/15/2010	5/3/2010	B	568	8325116	3889309	no access: 1st attempt	3/13/2010	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of roaches in the entire apartment located at apt f9, 6th story, 3rd apartment from east at south

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
F9	11/18/2011	1/6/2012	B	569	9208389	4299505	no access: 1st attempt	11/16/2011	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of mice in the entire apartment located at apt f9, 6th story, 1st apartment from east at south
F9	11/18/2011	1/6/2012	B	568	9208397	4299505	no access: 1st attempt	11/16/2011	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of roaches in the entire apartment located at apt f9, 6th story, 1st apartment from east at south

No active plumbing leaks have been reported. No common area plumbing repairs are currently required. If after the First Closing, common area plumbing repairs are required, such repairs will be at the cost of the Condominium.

2. In accordance with the provisions of 13 NYCRR 23.7(cc) (the "Asbestos Regulations"), Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the "Asbestos Report") which indicates no presence of visible and/or friable ACM in the Building. See the Section of this Plan entitled "Sponsor's Statement of Building Condition" for further discussion of the foregoing.

3. A law enacted by the New York City Council provides a formula for determining the amount of the Reserve Fund (the "Reserve Fund Law"), which is to be used exclusively for making capital repairs, replacements and improvements for the health and safety of residents of the Building. The exact amount of the Reserve Fund cannot be ascertained until this Plan is declared effective. The Reserve Fund shall be established in an amount equal to either (i) 3% of the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the effective date of this Plan regardless of the number of sales made (the "Total Price"), or (ii) (A) 3% of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the effective date of this Plan; provided, however, that if such amount is less than 1% of the Total Price, then the Reserve Fund shall be established as a minimum of 1% of the Total Price; plus (B) supplemental contributions to be made by Sponsor at a rate of 3% of the actual sales price of Residential Units for each Residential Unit offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the effective date of this Plan and within 5 years of the First Closing notwithstanding that the total amount contributed may exceed 3% of the Total Price; and provided, further, that if 5 years from 30 days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than 3% of the Total Price, Sponsor shall pay the difference between the amount contributed and 3% of the Total Price. In accordance with the Reserve Fund Law, Sponsor is entitled to take a credit against the Reserve Fund for qualifying work performed in the Building. The aggregate credit may not exceed the lesser of the actual cost of the capital replacements or 1% of the Total Price. The exact amount of the Reserve Fund cannot be determined until the First Closing. Under no circumstances will the Reserve Fund be less than 2% of the Total Price. No Purchaser will be entitled to rescind his or her Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount. See the Section of this Plan entitled "Reserve Fund" for further discussion of the foregoing.

4. Sponsor may engage 1 or more contractors to perform the following qualifying work for a possible credit against the Reserve Fund (at the following approximate costs):

(a) various areas of all facades conditions of cracked brick, diagonal cracking of parapets, spalling brick, cracked, loose and dislodging stucco and deterioration of terra cotta copings to be addressed (estimated cost \$262,000);

(b) some sections of parapet walls enclosing the main roof level were observed to be less than the minimum height necessary to comply with the NYC Building Code, to remedy the condition installation of new side mounted railings 42 inches in height is advised at all parapet wall segments which are less than 36 inches in height (estimated 250 linear feet @ \$150 ft. = \$37,500);

(c) cracking of the concrete ceiling slabs as well as rust/corrosion of steel reinforcing within the slabs was observed in the cellar at the boiler room, meter room, garbage room and storage room, a structural investigation was performed by a NYS Licensed Engineer to repair the cellar ceilings (estimated cost \$100,000);

(d) the coal chute/sidewalk vault structure accommodating sidewalk access to the boiler room is in a deteriorated condition, restoration of the chute vault walls, supporting steel structure and replacement of the exterior metal sidewalk hatch door is required (estimated cost \$50,000);

(e) a number of cellar windows at the residential common areas are deteriorated replacement of select windows is anticipated (estimated cost 10 windows @ \$500 each = \$5,000);

(f) areas of cast in place formed concrete site work including slabs at yards, retaining walls, garden and landscaping walls as well as stairways exhibit signs of deterioration, restoration of concrete and masonry components is required in areas (estimated cost \$30,000);

(g) firestopping sealant is lacking at a number of the wiring and piping penetrations at walls and ceilings enclosing cellar mechanical spaces, all such penetrations must be sealed with appropriate non-combustible materials consistent with the wall material (estimated cost \$2,000);

(h) the domestic hot water piping and steam piping within the boiler room is missing insulation, new insulation must be installed on all sections of the exposed domestic hot water piping and steam piping (estimated cost \$5,000);

(i) the existing Federal boiler (built in 1985) and existing Control Combustion dual fuel burner (Circa 1985) are approaching the end of their useful lives according to industry standards – management should consider replacement of same within next 5 years, as part of the replacement the existing metal breaching that connects from the boiler to a vertical masonry chimney should be cleaned and inspected, and a new chimney liner installed within the existing chimney to be compliant with New York City Fuel and Gas Code, the abandoned boiler and abandoned oil storage tank are anticipated to be removed, a new sump pump is anticipated to be installed (estimated cost \$350,000);

(j) a one bedroom apartment was subdivided into 2 studio apartments (B-6 and B-7); this sub-division is not reflected on the certificate of occupancy. To remedy the condition, after both of the apartments become vacant, Sponsor, at its own cost and expense, will remove construction partitions and remove 1 kitchen, such that the Unit will be compliant with applicable building code and applicable legal requirements prior to selling the Unit (estimated cost \$50,000);

(k) modernization of 2 passenger cars, new main machines and new controllers (estimated cost \$295,000); and

(l) repaint existing fire escapes, scrape, sand, prime and repaint all steel components (estimated cost \$12,000).

Sponsor currently intends to perform the work listed in items (a), (e), (f), (g) and (k) above and take a credit for such work against the Reserve Fund. Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building. Residential Unit Owners will be responsible for the cost of work not done by Sponsor.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of certain capital improvements. Moreover, if Sponsor elects to fund the Reserve Fund through supplemental contributions, there may not be a sufficient amount in the Reserve Fund at the time repairs are deemed necessary or appropriate and, if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Residential Unit Owners or Sponsor may elect to advance its contributions to the Reserve Fund and take a credit against future supplemental contributions. In addition, at Closing, Sponsor will collect from each Purchaser of a Residential Unit, on behalf of the Board, an amount equal to 2 months' Common Charges. The Working

Capital Fund may be expended for any purpose, including the reduction of Common Charges, during any period, including the period during which Sponsor controls the Board (see the Section entitled "Control By Sponsor"). See the Sections of this Plan entitled "Reserve Fund" and "Working Capital Fund and Apportionments" which may be found in Part I of this Plan and the Reserve Fund Law (Local Law 70) which may be found in Part II of this Plan for more details.

5. At the time an Agreement is executed, a Purchaser is required to make a Deposit in an amount equal to \$1,000 (for Tenant Purchasers) or 10% of the Purchase Price (for all others). In the event a Purchaser defaults under the Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within 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 Deposit made by the Purchaser (which Deposit may be more than 10% of the Purchase Price). If a Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's 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 Residential Unit for each day that the Closing is adjourned. If the applicable law (state or federal) is ever judicially interpreted so as to render usurious any amount called for under the Plan, or contracted for, charged or received, results in Purchaser having paid any interest in excess of that permitted by applicable law, then it is Sponsor's express intent that all excess amounts theretofore collected by Sponsor shall be credited to Purchaser. Purchasers are further advised that (i) if a Purchaser makes a Deposit in excess of \$250,000 for the purchase of a Residential Unit, such Deposit will be placed in the escrow account which will not be federally insured in excess of \$250,000 and (ii) while a Deposit is in the checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed \$250,000, since the federal insurance is limited to \$250,000 in total for the checking portion of the Master Escrow Account. No representation or guaranty is made by Sponsor that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so. Funds drawn on out-of-state or foreign banks will not be accepted in payment of the purchase for a Residential Unit unless otherwise agreed to by Sponsor in writing. THE AGREEMENT ALSO PROVIDES, IN CLEAR AND EXPLICIT TERMS, THAT EXCEPT AS PROHIBITED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THIS PLAN, THE AGREEMENT OR THE RELATIONSHIP CREATED THEREBY. NY Real Property Law Section 259-c provides that any provision in a lease, executed after 1965, that a trial by jury is waived in any action, proceeding or counterclaim brought by either of the parties thereto against the other in any action for personal injury or property damage is null and void. See the Section of this Plan entitled "Procedure to Purchase" for further discussion of the foregoing.

6. Although a Purchaser may obtain financing from a lending institution or any other source, the obligation to purchase a Residential Unit pursuant to the Agreement shall not be contingent on obtaining such financing. Any prospective purchaser who executes an Agreement and does not obtain financing may lose his/her deposit if they are unable to otherwise raise the money for the balance of the purchase price. No representation is made by Sponsor nor any Selling Agent as to the availability or cost of such 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 fixed, and it could expire before the Closing Date. See the Section entitled "Procedure to Purchase" for further details.

7. Prior to the closing of title to a Residential Unit, Non-Tenant Purchasers are expressly prohibited from advertising the Residential Unit, listing the Residential Unit with a broker or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease ("Advertising Activities") without Sponsor's prior written consent. If any Non-Tenant Purchaser engages in any of the

foregoing Advertising Activities, it shall be considered an event of default under the terms of the Agreement, thereby entitling Sponsor to any and all remedies under the terms of the Agreement. Purchasers are referred to the Agreement set forth in Part II of this Plan for further details.

8. Sponsor and its designees may exercise veto power over some actions of the Board. So long as Sponsor continues to own at least 25% in aggregate Common Interests in Residential Units, but in no event later than 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, Residential Common Elements, Residential Limited 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 working capital, reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in this 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 this Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's prior written consent is not necessary to perform any function or take any action described in clauses (a) through (e) 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 (i) comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. Sponsor may not exercise veto power over expenses described in the Projected Budget for the First Year of Condominium Operation. See the Section entitled "Control By Sponsor" for further details.

9. Each Residential Unit Owner has the right to vote at meetings of Residential Unit Owners and to vote with respect to amendments of the Declaration and By-Laws, as more particularly described in the Section of this Plan entitled "Board of Managers" and in the Declaration and By-Laws set forth in Part II of this Plan.

10. No amendment, modification, addition or deletion of the Declaration, By-Laws or Residential Rules and Regulations (collectively, a "Change") shall be effective in any way without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit, or the Commercial Unit Owner, as the case may be, with respect to any Change 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 Residential Unit or the Commercial Unit Owner, as the case may be, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit or the Commercial Unit Owner, as the case may be. No Change shall be effective in any way without the prior written consent of the Commercial Unit Owner with respect to any Change affecting the rights of the Commercial Unit Owner. See the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers."

11. The Superintendent will continue to occupy an apartment located on the First Floor of 12-34 Crown Street, Brooklyn, New York 11225 (the "Superintendent's Apartment"). The Superintendent's Apartment will be part of the Residential Common Elements and all charges attributable to the Superintendent's Apartment, including the costs of utilities and the costs of repairs, alterations and improvements to the Superintendent's Apartment, shall be borne by all Residential Unit Owners as a Common Expense. See the Section of this Plan entitled "Schedule B- Projected Budget for First Year of Condominium Operation" for further discussion.

12. The real estate tax estimates for each Residential Unit were calculated on the assumption that the real estate taxes payable with respect to each Residential Unit for the first year of Condominium operation will be allocated in proportion to each Residential Unit's Common Interest as set forth on Schedule A – Prices of Residential Units and Related Information in Part I of this Plan. 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 or imputed market value rather than its Common Interest, and, if so, Units having the same or similar percentage interests, but determined to have a higher purchase price or market value, will pay higher real estate taxes than are reflected on Schedule A. See the Section of this Plan entitled "Real Estate Taxes" for further discussion.

13. Sponsor and any subsequent owner of any Unsold Residential Unit have the right to subdivide and combine portions of the respective Residential Units. Sponsor and any subsequent Commercial Unit Owner shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any, to: change the use (including but not limited to residential use) or layout of, or number of spaces or rooms in the Commercial Unit; amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit; change the size of the Commercial Unit by subdividing the Commercial Unit into 2 or more separate Commercial Units or combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units and if appropriate, reapportion among the Commercial Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws. See the Section of this Plan entitled "Rights and Obligations of the Sponsor" for further discussion.

14. Except as set forth in Section 6.14 of the By-Laws, the Residential Units may be used only for residential purposes subject to conditions set forth in Article 9 of the Declaration. Exceptions to the restrictions on use in Section 6.14 of the By-Laws include home occupation or professional office use, and, in limited instances, professional offices. Sponsor and its designee and the owner of any Unsold Residential Unit may use the Residential Units (and the Commercial Unit Owner may use the Commercial Unit) for any purpose permitted by Law and may modify the certificate of occupancy to reflect a change in use, subject to conditions set forth in Article 9 of the Declaration. Please refer to the Section of this Plan entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" under the Subsection entitled "Use of Units" for further details.

15. 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 the Unsold Residential Units. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Residential Units. Please refer to the Section of this Plan entitled "Rights and Obligations of Sponsor" in Part I of this Plan for further details.

16. The windows (including the glass) located in any Residential Unit shall be replaced and/or repaired at the Residential Unit Owner's sole cost and expense in accordance with the Condominium's specifications and the interior side shall be washed and cleaned at such Residential Unit Owner's sole cost and expense. Please refer to the Section of this Plan entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" under the Subsection entitled "Repairs to and Maintenance of Residential Units and Common Elements" in Part I of this Plan for further details.

17. Purchasers shall be obligated to pay the NYC Real Property Transfer Tax and NYS Real Property Transfer Tax, which by Law are the primary obligation of a seller, which obligation has been transferred by Sponsor to Purchaser. For purposes of calculating the taxes payable by Purchasers, the amounts of such taxes will be included in the consideration subject to such tax. If the purchase price of the Residential Unit is \$1,000,000 or more, Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," which is currently 1% of the purchase price, and by Law is the primary obligation of a purchaser. See the Section of this Plan entitled "Closing Costs and Adjustments" in Part I of this Plan for further details.

18. In accordance with the terms of this Plan, Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to 1 or more Non-Tenant Purchasers

for investment or resale or lease occupied units to others or to retain vacated Residential Units for future rental. The Fee Mortgage (as hereinafter defined) does not obligate Sponsor to market Residential Units for sale as they become vacant. The Property is currently encumbered by a mortgage (the "Fee Mortgage") held by New York Community Bank (the "Fee Mortgagee") in the original principal amount of \$7,110,000.00 having a maturity date of June 1, 2024. The Fee Mortgagee will release or partially assign the lien of the Fee Mortgage with respect to each Residential Unit as same is conveyed to Purchasers under this Plan upon payment to the Fee Mortgagee of a release price as the Fee Mortgagee may determine from time to time. As of the date hereof, the Fee Mortgagee will release a Residential Unit from the lien of the Fee Mortgage upon the payment of the greater of (i) 140% of the Residential Unit's pro rata share of the mortgage or (ii) 80% of the Residential Unit's gross sales price. As a fee, the Fee Mortgagee will charge Sponsor 1.00% of the principal reduction amount to release each Residential Unit (other than a bulk sale of 3 or more Residential Units, to which the full prepayment penalty will apply, but in no event will the penalty be less than 1% of the principal reduction). See the Section of this Plan entitled "Terms of Sale" for further discussion.

19. This Plan may not be declared effective until Agreements have been executed and delivered for at least 15% of all Residential Units in the Building (i.e., 13 Residential Units), by bona fide residential tenants in occupancy or bona fide purchasers who purchase without fraud or discriminatory repurchase agreements or other discriminatory inducements and represents that they intend that they or 1 or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to residential tenants who were in occupancy on the Filing Date of this Plan, the Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements. See the Section of this Plan entitled "Effective Date" for further discussion.

20. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make bulk sales of Residential Units to a single Purchaser (such bulk Purchaser hereinafter referred to as "Sponsor's Transferee"). For purposes of this Plan a "bulk sale" shall refer to the sale of 3 or more Residential Units to a single Purchaser that does not intend for Purchaser or members of Purchaser's immediate family to reside in the Residential Units. Sponsor and Sponsor's Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor's and Sponsor's Transferee's, if any, right to rent, rather than sell, Residential Units once they become vacant is unconditional and exercisable in their sole discretion. 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 occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor and Sponsor's Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. Even if the Plan is declared effective with 15% of the Residential Units needed to declare this Plan effective, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number which are the subject of Agreements, if Purchasers counted towards effectiveness do not close title to their Residential Units. In addition, it can be anticipated that Residential Units will not be occupied or used by the Residential Unit Owners thereof. In the event that all of the Agreements are either rescinded or terminated prior to the First Closing, and the Declaration of Condominium has been recorded, Sponsor will redeclare this Plan effective in accordance with the Section of this Plan entitled "Effective Date", or abandon this Plan.

21. Any sales of Residential Units occupied by Non-Purchasing Tenants are subject to the rights of such Non-Purchasing Tenants, if any, to continued occupancy under applicable rent regulation Laws and to purchase their Residential Units during a subsequent Exclusive Purchase Period, if any, which occurs prior to the effective date. Sponsor has further reserved the right to rent, license or lease any Residential Unit prior to closing the sale thereof to the Purchaser thereof or any other party and to cease marketing Residential Units for sale at any time. Accordingly residents of the Condominium may be

comprised of Residential Unit Owners, Non-Purchasing Tenants and tenants leasing from Sponsor or other Residential Unit Owners after the Property is submitted to a condominium regime. The By-Laws do not require that after the Sponsor Control Period a majority of the members of the Board be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor and any other Residential Unit Owners) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing Residential Units, such as a purchase for use as a home as opposed to a purchase for investment.

Generally, "free-market" leases do not provide for any renewal rights to be exercised by tenants. Current case law provides that unless, prior to the date an offering plan is accepted for filing, a warrant of eviction has been issued for a residential tenant who has continued in occupancy of a dwelling unit under such a "free-market" lease, such tenant has a right to purchase the Residential Unit even if the term of his or her residential lease has expired prior to the date the offering plan was accepted for filing or the "black book" date. See the Section of this Plan entitled "Rights of Existing Tenants" for further discussion.

22. Individuals who first lease Residential Units from Sponsor after the Effective Date will not, except as may be expressly provided in their respective leases, have any special rights to purchase such Residential Units, but are protected from eviction and from "unconscionable" rent increases. In addition, a Purchaser may be acquiring a Residential Unit that has been previously occupied, but such Residential Unit will be delivered at closing free and clear of all leases and tenancies except as may otherwise be agreed to in writing by the parties. Any Interim Use and Occupancy Agreement for a Residential Unit entered into with a Purchaser, other than a Tenant Purchaser, will provide, however, among other things, that an uncured default by the Purchaser under the Agreement with respect to the Residential Unit which is the subject of the Interim Use and Occupancy Agreement will constitute a default under the Interim Use and Occupancy Agreement entitling Sponsor, at its sole option, to terminate such Interim Use and Occupancy Agreement in accordance with applicable Law. In addition, each Agreement may provide that an uncured default by the Purchaser under any Interim Use and Occupancy Agreement with respect to the Residential Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole option, to terminate such Agreement and to exercise any remedies therein provided. Individuals who rent vacant Unsold Residential Units from Sponsor after the Effective Date are not Tenant Purchasers under this Plan and shall have no rights to purchase thereunder. Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim Use and Occupancy Agreement. Such legal fees are estimated to be approximately \$2,000 assuming that the Purchaser's counsel does not negotiate the terms of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the Closing to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Use and Occupancy Agreement. See the Section entitled "Rights and Obligations of Sponsor" in Part I of this Plan.

23. All legal costs, fees and expenses charged by the Purchaser's attorney shall be the sole responsibility of each Purchaser. In addition, each Purchaser shall also be responsible for payment of the following fees to Sponsor's attorneys, Pryor Cashman LLP, in connection with the closing of title to Purchaser's Residential Unit: (i) the sum of \$2,500 to pay Sponsor's legal fees, (ii) if the Purchaser requests the Closing to occur other than at the offices of Pryor Cashman LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$750 for each Closing held within Manhattan and \$1,000 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, a fee of \$750, payable in advance, for

preparation of an assignment agreement and (iv) a reschedule fee of \$300 if the Purchaser postpones the scheduled Closing (with the consent of Sponsor) less than 5 business days prior to the date thereof. Please refer to the Section of this Plan entitled "Closing Costs and Adjustments" in Part I of this Plan for further details.

24. All references in this Plan to "floors" are "marketing" designations and may not be the same designation given to the floors on the plans submitted to the New York City Department of Buildings. Purchasers are advised that, as is customary in New York, the square footage of each Residential Unit as reflected in the floor plans and on Schedule A - Prices of Residential Units and Related Information, may significantly exceed the usable floor area of each Residential Unit. See the Section of this Plan entitled "Schedule A" for further discussion.

25. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building or group of buildings where Sponsor or Sponsor's assignee or designee has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It may also be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See the Section of this Plan entitled "Procedure to Purchase" for further discussion.

26. In order to meet the possible varying demand for number and type of Residential 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 to, and without the consent of the Board, any Residential Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements and/or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate all or a part of a Residential Unit, a Common Element and/or Residential Common Elements and/or Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests and Residential Common Interests. No material change will be made in the size or number of Residential Units or in the size or quality of the Common Elements and/or Residential Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration. Unless a Purchaser consents, no material adverse change will be made in the relevant Residential Unit's layout or percentage of Common Interest (or Residential Common Interest) if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default. No material adverse change will be made in the size or quality of the Common Elements and/or Residential Common Elements unless Purchasers not in default receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to rescind. Sponsor will return any Deposit promptly to Purchasers who rescind. Please see the Section of this Plan entitled "Changes in Prices and Residential Units" for further details.

27. Each Purchaser will be obligated to enter into a power of attorney at the closing of title to the relevant Residential Unit (the "Power of Attorney"). The form of Power of Attorney, set forth in Part

II of this Plan, grants broad powers to the Board to enter into agreements affecting the Common Elements and Residential Common Elements and Residential Limited Common Elements. The Power of Attorney also grants to Sponsor the right to amend the Condominium Declaration with respect to Residential Units owned by Sponsor. Please refer to the form of Power of Attorney set forth in its entirety in Part II of this Plan

28. Any walls or partitions contained in a Residential Unit which do not conform to the Floor Plans contained in Part II of the Plan must be removed at the Residential Unit Owner's sole cost and expense in accordance with the provisions of the Declaration and By-Laws of the Condominium and as required by law. Any walls or partitions to be erected in a Residential Unit other than those shown on the Floor Plans contained in Part II of the Offering Plan must conform with the requirements of the Declaration and By-Laws of the Condominium and applicable legal requirements, and the Residential Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls without Sponsor's consent or knowledge. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations. Vacant Units owned by the Sponsor will conform with the Floor Plans contained in Part II of the Plan, applicable building code and applicable legal requirements prior to sale to a Purchaser. See the Section of this Plan entitled "Schedule A" for further discussion.

29. Sponsor or its designee and the Commercial Unit Owner and their respective licensees shall have, and the Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements shall be subject to, an easement, for any lawful purpose including but not limited to: (a) to install, utilize, operate and maintain satellite dishes, antenna, telecommunications equipment and similar equipment on the roof and/or the Facade of the Building and elsewhere on the Common Elements, Residential Common Elements and Residential Limited Common Elements and the conduit and other Facilities relating thereto, and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Residential Unit, or Common Element or Residential Common Element or Residential Limited Common Element or elsewhere on the Property resulting from the operation or maintenance thereof. Sponsor and the Commercial Unit Owner shall be entitled to assign, lease, license or otherwise transfer their rights with respect to the foregoing easements and the Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor or its designee and the Commercial Unit Owner, their assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes, equipment or other facilities placed upon the roof and/or the Facades of the Building and elsewhere on the Common Elements, Residential Common Elements or Residential Limited Common Elements by Sponsor or its designee or the Commercial Unit Owner, their assignees, licensees or transferees shall be the exclusive property of Sponsor or its designee or the Commercial Unit Owner, their assignees, licensees, tenants, or transferees and neither the Condominium nor any Residential Unit Owner shall have any rights with respect thereto. See the Section of this Plan entitled "Rights and Obligations of Sponsor" for further discussion.

30. Based on the age of the Building, it is presumed that there is lead paint and/or lead based hazards in the Building. However, except as set forth in the Architect's Report included in Part II of this Plan, Sponsor is not aware of, and has no records or materials pertaining to, any lead-based paint or lead-based hazards in the Building that need to be remedied. Sponsor will comply with applicable Law concerning the use of lead-based paint. Local Law 1 of 2004 ("Local Law 1") requires that landlords must inspect every apartment occupied by a child under the age of 6 for conditions that may cause lead exposure, and if found, correct them. Landlords must verify whether a child under the age of 6 resides in an apartment and if so, conduct an inspection at least annually, and more often if necessary, for lead paint hazards. The

landlord is required to investigate the circumstances if any tenant does not respond to the inquiry as to the presence of children. Landlords must look for peeling paint, evidence of friction or chipping, and underlying conditions that may cause paint to peel, and promptly correct any hazard. The landlord has a duty under the law to inspect the apartment as well as all common areas for the presence of lead-based paint hazards, and to remove or cover all lead paint on friction surfaces and to replace window slides and panes on friction surfaces containing lead paint. Landlords must provide written notice to the tenant of the landlord's obligation to inspect for and repair lead-paint hazards and the tenant's obligation to provide access to their apartment. The obligations under Local Law 1 of 2004 apply to a Residential Unit Owner who purchases an occupied Residential Unit, as well as to a Residential Unit which was vacant but becomes occupied by a tenant subsequent to its purchase. A Purchaser of an occupied Residential Unit which is vacant but becomes occupied by a Tenant subsequent to its purchase may be required to take steps in order for the Residential Unit to comply with Local Law 1. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint, whether Local Law 1 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead-based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 and any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Residential Unit Owner and the actions a Residential Unit Owner may be required to take thereunder. Residential Unit Owners shall be deemed "owners" of their respective Residential Units with the obligation to comply with the requirements of all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint. See the Section of this Plan entitled "Sponsor's Statement of Building Condition" for further discussion.

31. It is the responsibility of each Residential Unit Owner to notify the Managing Agent in writing when a child or children under the relevant age according to Local Law 1 reside or visit (even temporarily) in the Residential Unit. It is the responsibility of each Residential Unit Owner to install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in no event without full knowledge of the Managing Agent. See the Section of this Plan entitled "Sponsor's Statement of Building Condition" for further discussion.

32. All determinations with respect to the continuance of services provided to the Building, if initially made available, will be made by the Board, which will be controlled by Sponsor until the expiration of the period ending on the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units having more than 50% of the aggregate Common Interests appertaining to all Residential Units, or (ii) 5 years after the First Closing (the "Sponsor Control Period"), as described in the Section of this Plan entitled "Control by Sponsor." Please refer to the Section entitled "Description of Property" set forth in its entirety in Part I of this Plan under the subsection entitled "Services and Facilities" for further details regarding services and facilities at the Property.

33. The proposed insurance coverage for the first year of Condominium operation does not include terrorism insurance, which is typically not maintained in the City of New York for residential buildings. While terrorism insurance is currently available for the Property, there is no assurance that such insurance will be available in the future or at a price that the Board would be prepared to spend. It can be reasonably anticipated that without terrorism insurance, in the event of a terrorist attack, the Property would not be insured or would have insufficient insurance to rebuild or repair any damage and Residential Unit Owners could be assessed to cover the costs of restoration and a Residential Unit Owner's failure to pay such assessment could lead to a foreclosure of the relevant Residential Unit. Purchasers should further note that the insurance coverage maintained on behalf of the Condominium does not cover the individual Residential Units or Storage Lockers or any property contained in a Residential Unit or Storage Lockers. Purchasers should refer to the Declaration in Part II of this Plan for a description of the Residential Units.

Pursuant to the By-Laws, each Residential Unit Owner is required to, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) 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 Residential Unit or any Residential Limited Common Element appurtenant thereto or any part thereof, with minimum combined single limits of liability of \$1,000,000 for bodily injury or death arising out of any 1 occurrence and \$1,000,000 for damage to property plus at least \$2,000,000 umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon or from the Residential Unit or any part thereof (including, but not limited to, appropriate coverage for additions, alterations, improvements and betterments and loss due to water damage as well as personal property). The limits of liability and other requirements relative to each Residential Unit Owner's insurance coverage may be modified by the Board from time to time. All policies shall provide that they cannot be canceled without at least 30 days' prior notice to the Board. The limits of liability set forth in (a) and (b) above may be increased by the Board from time to time. In the event a Residential Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Board, as required, the Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Residential Unit Owner or (ii) impose such fines and penalties as the Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Residential Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Residential Unit Owner. See the Section of this Plan entitled "Schedule B- Projected Budget for First Year of Condominium Operation" for further discussion.

34. The By-Laws provide that each Residential Unit and all portions of the Common Elements, Residential Common Elements and Residential Limited Common Elements will be kept in good 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 which will cause damage to the Building) by the Residential Unit Owner or the Board whichever is responsible for the maintenance thereof. In the event a Residential Unit Owner fails to keep such Residential Unit Owner's Residential Unit or Residential Limited Common Element in such condition, the Board may, at the expense of such Residential Unit Owner, enter such Residential Unit and/or Residential Limited Common Element and perform such acts as are necessary to cure such default. See the Section of this Plan entitled "Rights and Obligations of Residential Unit Owners" for further discussion.

35. The charges for electricity consumed by each Residential Unit Owner for the relevant Residential Unit will be separately metered and billed directly to such Residential Unit Owner by Con Edison. Residential Unit Owners will be required to pay charges for electricity consumed for any air conditioning for each Residential Unit. Water charges and sewer rents, assessed by the City of New York, will be billed to the Condominium as a Common Expense. The costs and expenses of gas for domestic cooking consumed by each Residential Unit Owner for the relevant Residential Unit will be separately metered and billed to the Residential Unit Owner by Con Edison. 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 basis of such estimates.

36. Sponsor reserves the right to undertake substantial construction work in common areas and vacant Residential Units of the Building, including the installation of new electric wiring, sheetrock, kitchens and baths, and in common areas of the Building. A Purchaser may request that a vacant Residential Unit be delivered at Closing in its "as is" condition. Sponsor will amend this Plan to disclose renovations, including finishes and installations, when plans have been finalized for renovations to vacant Residential Units. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 8:00 A.M. and 5:00 P.M. Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on the Cellar Level and hauled away. The foregoing work and conditions may create a noisy

and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has 1 or more vacant Unsold Residential Units. When Sponsor is doing substantial construction work in vacant Residential Units in the Building, Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building. The Tenant Protection Plan will include, but is not limited to: (a) at all times during construction provision shall be made for adequate egress as required and the egress provided shall be identified; required egress shall not be obstructed at any time except where approved by the DOB commissioner; (b) fire safety - all necessary laws and controls, including those with respect to occupied dwellings, as well as additional safety measures necessitated by the construction shall be strictly observed; (c) Sponsor will use reasonable commercial efforts to: minimize dust, construction debris will be removed and hauled away, pest control and maintenance of sanitary facilities; limit of noise; (d) comply with applicable provisions of law relating to lead and asbestos; (e) comply with the requirements of the New York City Housing Maintenance Code, and, where applicable, the New York State Multiple Dwelling Law; no structural work shall be done that may endanger the occupants of the Building; (f) hours of the day or the days of the week in which construction will be undertaken will be limited pursuant to the New York City Noise Control Code; (g) construction operations will be confined to Monday through Friday 8:00 AM to 5:00 PM except holidays, no work will be done on weekends and holidays without a permit, work after hours must provide approved variance and proper lighting. Sponsor is currently in compliance with the Tenant Protection Plan contained in Appendix 5 of the Architect's Report included in Part II of this Plan. Construction work will be performed in accordance with the Tenant Protection Plan included as Appendix 5 to the Description of Property in Part II of this Plan, and any subdivided and/or combined Units shall only be offered in accordance with an amendment to the Plan disclosing the same.

37. While Unsold Residential Units are being renovated and/or offered for sale or lease by Sponsor or any other owner of Unsold Residential Units, there will be a greater number of visitors to the Building than would otherwise be the case. All such visitors to the Building will be accompanied by the Selling Agent when inspecting Unsold Residential Units. No representation or warranty is made and no assurance is given as to when such construction, selling or leasing activity will terminate. None of Sponsor or any other owner of Unsold Residential Units, the Board or the Managing Agent will 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, if any. No representation or warranty is made and no assurance is given that the security systems and procedures of the Condominium, if any, will prevent personal injury or damage to or loss of personal property. See the Section of this Plan entitled "Rights and Obligations of Sponsor" for further discussion.

38. On or about the date of the First Closing, the Condominium will enter into a management agreement for an initial term of 3 years with Pinnacle Managing Co., LLC (the "Managing Agent") which will provide management services to the Condominium at an annual fee of \$43,000, payable in equal monthly installments. The management agreement will be automatically renewed from year to year unless terminated by the Board upon 90 days' written notice prior to the expiration of the term, as the same may have been renewed. The Board, at its option, may terminate the Management Agreement at any time, by giving written notice thereof to Managing Agent, for only the following reasons: (i) fraud, misrepresentation, misappropriation of funds, furnishing any statement, report, notice writing or schedule the Managing Agent knows to be untrue or misleading in any material respect on the date as of which the facts set forth therein are state or certified, (ii) the failure of Managing Agent to comply with any term or condition of the Management Agreement, that although not included in subsection (i) above, has a material adverse effect on the Property, (iii) the bankruptcy or insolvency of, the assignment for the benefit of creditors, by or the appointment of a receiver for any property of Managing Agent which is not dismissed

in 60 days, and (iv) an intentional or grossly negligent or illegal act committed by Managing Agent against the Board. The Managing Agent shall have the right to terminate the Management Agreement at any time by giving written notice thereof to the Board if the Board shall default in the performance of any term or condition of the Management Agreement and shall fail to cure such default within 30 days after receiving written notice thereof from the Managing Agent. The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. In the event a new managing agent is substituted for the Managing Agent, the annual fee will be as mutually agreed upon between the Board and the new managing agent. The Managing Agent will work in the best interest of the Condominium and the Unit Owners. In addition, on or about the date of the First Closing, the Condominium will enter into a month-to-month service contract with Secure Watch 24, which will provide the Building with video surveillance and certain security services at a monthly fee of \$492.45. Joel Wiener, a principal in the Managing Agent and an investor in Secure Watch 24, is also a President and Chairman of the Board of Zarasai (defined under “Identity of Parties – Sponsor”), the managing member of Zarasai Group (defined under “Identity of Parties – Sponsor”). See the Section of this Plan entitled “Management Agreement” for further discussion.

39. Copies of certified statements of income and expense (the “Financial Statements”) for the Building for the years ended December 31, 2015 and December 31, 2016 as prepared by DDK & Company LLP, CPA (“DDK”) are set forth in Part I of this Plan. The Financial Statements omit certain historical information (i.e., depreciation, amortization and debt service interest) not relevant to the Condominium. DDK’s qualification in its Independent Auditor’s Report that the Financial Statements are not in conformity with generally accepted accounting principles is based solely on such omissions. See the Section of this Plan entitled “Accountant’s Certified Statement of Operation” for further discussion.

40. The Building also contains a Commercial Unit. The Commercial Unit is not being offered for sale pursuant to the Plan and may be retained by Sponsor. Sponsor, however, reserves the right to sell or lease the Commercial Unit and/or to divide the Commercial Unit into additional Commercial Units at any time. The Commercial Unit is currently leased to a daycare center. Sponsor makes no representation that the current tenant will continue to occupy the Commercial Unit. Prospective Purchasers are advised that the use of the Commercial Unit may generate noise or other disturbances over which the Residential Unit Owners will have no control. See the Section of this Plan entitled “Description of Property” for further discussion.

41. The Commercial Unit will initially be owned by Sponsor or an affiliate of Sponsor. The Commercial Unit Owner will not pay a portion of any of the Common Expenses of the Condominium other than a portion of certain items expressly set forth on Schedule B – Projected Budget for First Year of Condominium Operation in Part I of this Plan, specifically, insurance, management fees and auditing fees. The Commercial Unit Owner will be responsible for the upkeep of the Commercial Unit and all utilities servicing the Commercial Unit are or will be separately metered to the Commercial Unit. The Commercial Unit Owners will not be liable for any repairs and/or maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements at any time during the existence of the Condominium. See the Section of this Plan entitled “Schedule B- Projected Budget for First Year of Condominium Operation” for further discussion.

42. Sponsor may install a laundry room in the Building prior to the First Closing. In the event that Sponsor does install a laundry room, the Condominium will enter into a 25 year concession agreement for the laundry room with Sponsor or an affiliate of Sponsor. Sponsor will provide a Tenant Protection Plan to tenants prior to commencing construction to create a laundry room in the cellar. The concession agreement with Sponsor or an affiliate of Sponsor may prevent the Condominium from negotiating a concession agreement with another vendor and possibly receiving a higher annual rental amount. The initial annual rent shall be \$1,800. The laundry room will be a part of the Residential Common Elements and will only be for the use of residents of the Building. The Condominium will provide at its cost all necessary

utilities, including but not limited to gas, electricity, water and sewer. It is anticipated that the expense to the Condominium for the foregoing shall not exceed the rent payable. The annual rent shall increase by \$50 per month on the 5th, 10th, 15th and 20th anniversary of the lease commencement date. Notwithstanding the foregoing, within 90 days of the end of each year, the Condominium shall have the right to furnish the Sponsor with a written statement in reasonable detail of the actual utility costs for the usage of the laundry room for the preceding year. If the actual utility costs for the laundry room for such year exceed the aggregate of Sponsor's rent payments for said year, Sponsor shall pay the Condominium any deficiency due within 20 days after receipt of said statement, so that Sponsor's actual payment for such year shall equal 110% of the prior year's actual utility costs for the usage of the laundry room. Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 years after the date that the sponsor or sponsor affiliate ceases to control the board or owns 25% or less of the units in the project, whichever occurs first. A "self-dealing" contract is defined under the Act as any contract or portion thereof which is entered into after October 8, 1980, which: (i) provides for operation, maintenance or management of a condominium association in a conversion project, or of property serving the condominium unit owners in such project; (ii) is between such unit owners or such association and the sponsor or an affiliate of the sponsor; (iii) was entered into while such association was controlled by the sponsor during the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 years, including any automatic renewal provisions which are exercisable at the sole option of the sponsor or an affiliate of the sponsor; and (v) may not be terminated without penalty by such unit owners or such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

43. Sponsor reserves the right from time to time to change Residential Unit numbers and/or floor designations. Any such change(s) will be set forth in a duly filed amendment to the Plan. See the Section of this Plan entitled "Rights and Obligations of Sponsor" for further discussion.

44. After the expiration of the Sponsor Control Period, Sponsor (or its designees) shall have the right to designate the following minimum number of Residential Board Members: (a) 2 Residential Board Members, for so long as the Common Interests attributable to the Unsold Residential Units equal, in the aggregate, more than 15% of the Common Interests of all Residential Units; and (b) 1 Residential Board Member, for so long as Sponsor (or its designees) owns at least 1 Unsold Residential Unit. In addition to Sponsor (or its designees) designating the aforesaid number of Residential Board Members, Sponsor (or its designees) may cast its votes for individuals nominated to the Board who are not nominated or designated by Sponsor (or its designees), which individuals, if elected shall not be deemed to be Sponsor's nominees or designees and shall not be deemed to cause Sponsor (or its designees) to control the Board. After the expiration of the Sponsor Control Period, in the event a vote of the Members of the Board is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Members of the Board (whether Residential Members or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Sponsor designees. See the Section of this Plan entitled "Control By Sponsor" for further discussion.

45. Plans depicting layouts of Residential Units appear in Part II of the Plan. Any floor plan or sketch shown to a prospective Purchaser including those set forth in this Plan, is only an approximation

within reasonable tolerances of the dimensions and layout of each Residential Unit. The actual layout of a Residential Unit may have been altered by the tenants thereof or by others without Sponsor's consent or knowledge. The actual dimensions and configuration of a Residential Unit may also immaterially vary from its Floor Plan due to, for example: (a) changes required by the Building Department or other government authorities having jurisdiction; (b) normal construction allowances and variances; and (c) varied masonry bearing wall thicknesses. Purchasers will not be excused from their obligations under the Agreement in the event of non-material inaccuracies in a Residential Unit's size. If the Residential Unit (or a similar Residential Unit) is available for inspection before the Agreement is executed, the Unit layout as actually exists shall supersede and govern any variation, substantial or otherwise, from any and all plans, drawings and diagrams. No variation will affect a Purchaser's obligations under the Agreement or this Plan unless the net square footage area of the Residential Unit is materially diminished. Sponsor's sole obligation if the net square foot area is materially diminished shall be to refund to Purchaser the Deposit made under the Agreement and any interest earned thereon. Each Residential Unit will be measured on each of 1 or more floors from the midpoint of the exterior walls, at the Building line and/or Property line, to the midpoint of the interior walls and partitions separating a Residential Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Residential Common Elements. Since measurements of Units are not from interior surfaces of interior walls, the actual area comprising the useable floor area of the Unit may be significantly less than the square footage area listed in Schedule A. Columns and mechanical pipes (whether along the perimeter or within the Residential Unit) are not deducted from the square foot area of the Residential Units. Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the slab above. However, any Common Elements or Residential Common Elements or Residential Limited Common Elements located within a Residential Unit (including any structural slabs separating floors of a Residential Unit located on more than 1 floor) shall not be considered a part of such Residential Unit. As is customary in New York, these square foot areas will exceed the usable floor area of each Residential Unit. Each prospective Purchaser should carefully inspect the Residential Unit (or a similar Residential Unit) prior to entering into the Agreement therefor to determine its actual dimensions, layout, ceiling heights and physical condition. See the Section of this Plan entitled "Schedule A- Prices of Units and Related Information" for further discussion.

46. Sponsor reserves the right, freely and without restriction, to rent or license vacant Residential Units, to Purchasers and non-purchasers at any time, both before and after the First Closing. However, once a Purchase Agreement is signed for a vacant Residential Unit, and for so long as such Purchase Agreement is in effect, such Residential Unit may only be rented or licensed to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such rent or use and occupancy fee, and upon such other terms, as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the closing of such Residential Unit or the expiration date in the Interim Use and Occupancy Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Interim Use and Occupancy Agreement and remove from the Building upon 30 days' prior written notice to Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate 30 days thereafter and Purchaser shall be obligated to vacate the Residential Unit no later than that time. In the event that this Plan is abandoned and Sponsor leases a vacant Residential Unit, such vacant Residential Unit shall be subject to, the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder as same may be amended (collectively, the "Rent Laws") and the rent will not exceed the maximum legally collectible rent. See the Section of the Plan entitled "Interim Use and Occupancy Agreements" for further discussion.

47. There is no roof bond or guarantee and the age of the roof is unknown. See the Description of Property, included in Part II of this Plan, for further detail.

INTRODUCTION

12 Realty Associates LLC, a New York limited liability company ("Sponsor"), hereby presents this offering plan (the "Plan") for the conversion to condominium ownership of the land (the "Land"), together with the building erected thereon known as and having a street address of 12-34 Crown Street, Brooklyn, New York 11225 ("Building"), containing 84 residential units (the "Residential Units") and the Superintendent's Apartment on the First Floor, which is included in the Residential Common Elements, 1 commercial unit (the "Commercial Unit") currently containing a daycare center, and 10 storage lockers (the "Storage Lockers") to be installed prior to the First Closing. The Residential Units and the Commercial Unit are together referred to as "Units". The Land and the Building are collectively referred to herein as the "Property." The condominium will be known as "The Crown12 Condominium" and is called the "Condominium" in this Plan.

The purpose of this Plan is to set forth in detail all material facts relating to the offering by Sponsor of the Residential Units. Sponsor may from time to time amend or supplement this Plan by filing an amendment with the New York State Department of Law (the "Department of Law") and serving such amendment on 1 residential tenant per Residential Unit, Purchasers that have executed and delivered Agreements to Sponsor or Selling Agent and are not in default under the Agreement, Residential Unit Owners and any other persons entitled to service pursuant to law.

This Plan is presented in 2 parts (in 1 volume) which together constitute the entire Plan. Part I sets forth a general description of this Plan and Part II contains the basic documents necessary to create the Condominium and to otherwise effectuate the provisions of this Plan. Also included in Part II is a detailed physical description of the Property, certifications of Sponsor and Sponsor's architect and certifications of an expert selected by Sponsor concerning the adequacy of the budget for the first year of Condominium operation. In addition, Sponsor has filed exhibits to this Plan with the Department of Law, which are presented as Parts A (Certifications), B (General), C (Engineering) and D (Other Information). This Plan, including all Schedules set forth herein and Parts A, B, C and D of the exhibits, constitutes the entire offer of Sponsor. Copies of this Plan and the exhibits will be available for inspection by prospective Purchasers without charge and for copying at reasonable copying fees at Sponsor's office and at the office of the Department of Law and may be borrowed from Sponsor upon payment of a \$150 deposit, which amount will be fully refunded upon either (i) the prompt return of all borrowed materials in good condition or (ii) the execution by the borrower of an Agreement subsequently accepted by Sponsor. Copies of this Plan will be served upon all Tenant Purchasers in accordance with the GBL. All of these documents are important and should be carefully read by prospective purchasers. Prospective purchasers are also advised to consult with their own attorneys or other advisers before agreeing to purchase. Prices of Residential Units and Storage Lockers are not subject to approval by the Department of Law or any other government agency. All capitalized terms used in this Plan shall have the meanings ascribed thereto in the Section entitled "Certain Definitions," unless otherwise indicated.

The Property

On January 12, 2006, Sponsor acquired fee title to the Building. The Building consists of a 6 story building and cellar with apartments on floors 1 through 6. There are a total of 84 Residential Units situated on floors 1 through 6. The Superintendent's Apartment is on the First Floor. The Cellar Level includes or will include: a boiler room, oil room, garbage room, elevator room, security room, meter room, storage, laundry room (may be installed prior to the First Closing), compactor room, Storage Lockers (to be installed prior to the First Closing) and Commercial Unit (the "Commercial Unit"). The Commercial Unit is not being offered for sale hereby. There are no recreational facilities currently located within the Building.

Features of Condominium Ownership

The ownership of a Unit is similar in many respects to the ownership of a private home. Each Unit Owner owns fee title to such Unit Owner's Unit and is entitled to the exclusive possession thereof and the exclusive use of the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit (see Schedule A in Part I to this Plan). A Unit Owner also owns, in common with the owners of all other Units, an undivided interest in (and right to use) the Common Elements.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage such Unit Owner's Unit(s) with such lender and in such amount as the Unit Owner chooses. However, Sponsor makes no representations about the financeability of any 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 such Unit Owner's Unit in any way desired except as otherwise provided herein, subject to compliance with the By-Laws, the Residential Rules and Regulations and Law, and will be solely responsible for the cost of maintenance and interior repairs to such Unit Owner's Unit after Closing.

After the Units are 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 such Unit Owner's Unit be subjected to any lien arising from the non-payment of, real estate taxes on other Units. Please refer to the opinion of Pryor Cashman LLP, counsel to Sponsor, set forth in full in Part I of this 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 Unit.

With certain exceptions (for example only and not as a limitation, Sponsor and its designees are not required to give the Board a right of first refusal with respect to any Unsold Residential 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 Residential Unit on the same terms as were offered to the owner of such Residential Unit. Other than exercising its right of first refusal, the Board has no right to approve or disapprove purchasers and the By-Laws contain no requirement that such purchasers be owner-occupants of the Residential Units. There is no limit on the number of purchasers who may purchase for investment rather than personal occupancy. Accordingly, there may always be a substantial percentage of owners who are non-residents. For a more complete discussion of the foregoing, see the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" under the subsection entitled "Sales and Leases of Residential Units."

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 Common Elements will be borne by the Unit Owners in proportion to their respective Common Interests, except as otherwise provided in Schedule B - "Projected Budget for First Year of Condominium Operation" in Part I of this Plan or in accordance with the terms of the By-Laws.

Matters affecting the Common Elements will be decided by the Board. Sponsor will control the Board during the Sponsor Control Period. Purchasers should note that Sponsor has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to 1 or more Non-Tenant Purchasers for investment or resale or lease occupied Residential Units to others or to retain vacated Residential Units for future rental. The Fee Mortgage does not obligate Sponsor to market Residential Units for sale as they become vacant. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make bulk sales of Units to a single Purchaser (such bulk Purchaser hereinafter referred to as "Sponsor's Transferee"). Sponsor and Sponsor's Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor's and Sponsor's Transferee's, if any, right to rent, rather than sell Residential Units once they become vacant is unconditional and exercisable in their sole discretion. 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 occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor and Sponsor's Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. Even if the Plan is declared effective with 15% of the Residential Units needed to declare this Plan effective, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number which are the subject of Agreements, if Purchasers counted towards effectiveness do not close title to their Residential Units. The By-Laws do not require that after the Sponsor Control Period a majority of the members of the Board be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment. Please refer to the Sections of this Plan entitled "Control by Sponsor" and "Board of Managers" in Part I of this Plan.

Sponsor may declare this Plan effective when Agreements have been executed for at least 15% (i.e., 13 Residential Units) of all Residential Units in the Building by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they or 1 or more specified members of their immediate family intend to occupy the Residential Unit when it becomes vacant. If this Plan is declared effective with the minimum number of sales, it is possible that Sponsor may be able to create a Condominium even though there is no guarantee that all of the Purchasers counted towards effectiveness will ultimately close title to their Residential Units. After the Declaration is recorded creating the Condominium, spaces presently occupied as apartments will become the Residential Units of the Condominium. All such apartments are referred to as Residential Units throughout this Plan. A Non-Purchasing Tenant of a Residential Unit will not be evicted solely by reason of conversion of the Property to a Condominium. Therefore, during the conversion process from rental Building to Condominium, and after the Condominium is created, Purchasers may be living in a mixed rental and owner occupied Building for an indeterminate period of time. Because there is no commitment on the part of Sponsor and Sponsor's Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium. Sponsor or its designee reserves the right to use or occupy itself or to rent or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Residential Unit not yet conveyed and occupied or to withdraw Residential Units from the market. Sponsor or its designee further has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to 1 or more Non-Tenant Purchasers for investment or resale or to retain vacant Residential Units for future rental. Sponsor's and Sponsor's designee, if any, right to rent, rather than sell, Residential Units once they become vacant, is unconditional and exercisable in their sole discretion. 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. The By-Laws do not require that after the expiration of the Sponsor Control Period a majority of the members of the Board

be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment.

The Fee Mortgagee, New York Community Bank, will release or partially assign the lien of the Fee Mortgage with respect to each Residential Unit as same is conveyed to Purchasers under this Plan upon payment to the Fee Mortgagee of a release price. The Fee Mortgagee will release a Residential Unit from the lien of the Fee Mortgages upon the payment of the greater of (i) 140% of the Residential Unit's pro rata share of the mortgage or (ii) 80% of the Residential Unit's gross sales price as determined by the Fee Mortgagee. As a fee, the Fee Mortgagee will charge the Sponsor 1% of the principal reduction amount to release each Residential Unit (other than a bulk sale of 3 or more Residential Units, to which the full prepayment penalty will apply, but in no event will the penalty be less than 1% of the principal reduction).

As more particularly set forth in the By-Laws, the 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 Unit Owners for Common Charges to meet Common Expenses. Common Charges shall also be deemed to include any Special Assessments imposed by the Board. Such charges will be assessed against Unit Owners in proportion to their respective Common Interests except as otherwise provided in Schedule B "Projected Budget for First Year of Condominium Operation" in Part I of this Plan or as determined by the Board in accordance with the Condominium Act, Sections 339-(i) and (m). Please refer to Schedule B for further details. Purchasers should note, however, that in view of the current energy situation, and the fact that energy costs have fluctuated greatly, it is not possible to predict with any certainty whether the budgeted amount for energy costs will be sufficient to pay for the actual costs incurred in the first year of Condominium operation.

The cost of improvements, repairs, replacements, alterations and additions to the Common Elements and Residential Common Elements, which are part of the Common Expenses, will be determined by the Board and assessed against all Residential Unit Owners in proportion to their respective Common Interests. The estimated Common Charges for each Residential Unit for the first year of Condominium operation are set forth in Schedule A.

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 Residential Unit, including its fixtures, flooring, wall coverings, appliances, equipment and personal property and improvements and betterments situated within and constituting a part of such Residential Unit Owner's Residential Unit, and any Residential Limited Common Elements, as well as liability insurance with respect to occurrences in or about such Residential Unit Owner's Residential Unit or Residential Limited Common Elements. The By-Laws require that each Residential Unit Owner maintain such insurance coverage. The Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements and Residential Common Elements, in accordance with the provisions of the By-Laws. All Residential Unit Owners must comply with the terms of the Declaration, By-Laws, Residential Rules and Regulations, Alteration Agreements and any other requirement of the Board. See the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" for a more complete discussion of the foregoing.

There are no limitations on who may purchase a Residential Unit. Under the New York Real Property Law, a condominium unit may be owned by an individual, corporation, partnership, limited liability company, association, trust or any other entity which is permitted to take title to real property pursuant to New York Law. Notwithstanding the foregoing, Sponsor is not obligated to offer or sell any Residential Units and may, if it chooses, withhold 1 or more Residential Units for future sale. Sponsor need not endeavor in good faith to sell Residential Units rather than rent Residential Units as they become

vacant. Sponsor and Sponsor's Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without the consent of the Board, any Unit Owner or mortgagee, to refuse to approve and execute an Agreement for any Residential Unit; provided, however, that, in either event, Sponsor shall not discriminate against any person because of 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 Residential 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 Deposit thereunder (see the Section entitled "Procedure to Purchase" for more details). Sponsor will not accept an offer of purchase from an individual younger than 18 years of age or an incompetent under Law.

THE PURCHASE OF A CONDOMINIUM RESIDENTIAL 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 RESIDENTIAL UNIT.

Offering of Residential Units for Sale

Sponsor hereby offers all of the Residential Units in the Building for sale under this Plan. The purchase prices, estimated Common Charges and estimated real estate taxes for each of the Residential Units are listed below in the Section entitled "Schedule A - Purchase Prices and Related Information" (hereinafter referred to as "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.** While Sponsor is currently offering the Residential Units for sale, Sponsor has reserved the right to rent, rather than sell, Residential Units once they become vacant, which right is unconditional and exercisable in Sponsor's sole discretion.

(a) The Offer to Present Residential Tenants

Tenant Purchasers (defined in the Section entitled "Rights of Existing Tenants") have the exclusive right to purchase their respective Residential Units during the 90 day period following the Presentation Date of this Plan (the "Exclusive Purchase Period") to them at the discounted purchase prices set forth in Schedule A. If this Plan is substantially amended prior to the first closing of title to a Purchaser, the exclusive right to purchase time period shall be extended, as follows:

- (i) If the presentation of the substantial amendment occurs during the initial exclusive right to purchase period, such period shall terminate at the later of 30 days after presentation of the substantial amendment or the expiration of the original exclusive right to purchase period, and
- (ii) If the presentation of the substantial amendment occurs after the expiration of the initial exclusive right to purchase period, the substantial amendment must grant to all residential tenants who had the right to purchase during the initial period a new exclusive right to purchase on the terms offered in the amendment for a period of not less than 30 days from the date of presentation.

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

The purchase prices offered to Tenant Purchasers for the Residential Units are approximately 15% below the purchase prices currently offered to Non-Tenant Purchasers.

In order to qualify for the foregoing benefits during the Exclusive Purchase Period, a Tenant Purchaser must submit to Sponsor or any Selling Agent during the Exclusive Purchase Period, a signed Agreement and the Deposit in an amount equal to \$1,000. See the Section entitled "Procedure to Purchase" for more details.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and a Deposit before Sponsor amended the terms and conditions of this offering shall benefit from the more favorable terms and conditions.

(b) The Offer to Non-Tenant Purchasers

Sponsor hereby offers for sale those Residential Units in the Building set forth in Schedule A to Non-Tenant Purchasers on the following terms:

(i) They shall have the opportunity to purchase a vacant Residential Unit (if any) at the prevailing Purchase Price for Non-Tenant Purchasers as set forth on Schedule A; and

(ii) They shall have the opportunity to purchase an occupied Residential Unit either following the Exclusive Purchase Period afforded Tenant Purchasers or upon receipt of a written waiver by the Tenant Purchaser of his or her right to purchase during the Exclusive Purchase Period at the prevailing Purchase Price for Non-Tenant Purchasers as set forth on Schedule A.

In order to qualify for the foregoing benefits, a Non-Tenant Purchaser must submit to the Sponsor or any Selling Agent a signed Agreement and the Deposit in an amount equal to 10% of the Purchase Price for the Residential Unit to be purchased. See the Section entitled "Procedure to Purchase" for more details.

(c) Offering of Storage Locker Licenses

Sponsor hereby offers Purchasers of Residential Units the opportunity to purchase a license to use a Storage Locker pursuant to a Storage Locker License. The price for a Storage Locker License is \$10,000.00, subject to negotiation with each Purchaser, unless it constitutes a discriminatory inducement. THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.

The term of the Storage Locker License will commence no earlier than the date upon which Purchaser closes title to a Residential Unit and no later than the date upon which Purchaser closes on the purchase of the Storage Locker License if not simultaneously with the purchase of a Residential Unit. Sponsor is offering 10 Storage Locker Licenses for purchase. The license grants a licensee a revocable and exclusive privilege to use and occupy a space without granting the licensee an interest in the property. Sponsor reserves the right to change the size and/or number of Storage Lockers for so long as Sponsor holds Storage Locker Licenses.

The term of the Storage Locker License will terminate upon the earlier of (i) the termination of the Storage Locker License by the Board pursuant to the terms of the Storage Locker License or By-laws; (ii) the date on which the Licensee no longer is a Residential Unit Owner and has not transferred the Storage Locker License to another Residential Unit Owner pursuant to its terms; or (iii) the date on which the

Licensee voluntarily terminates the Storage Locker License. The Plan does not provide at this time for any fees associated with the licensing of a Storage Locker other than the Purchase Price of the Storage Locker License.

The Storage Room in which the Storage Lockers will be located is a Residential Common Element. At such time as any Residential Unit Owner purchases a Storage Locker License, such Storage Locker will be deemed to be, and treated as, for all intents and purposes, a Residential Limited Common Element as it will, upon the purchase of a Storage License, exist for the use and enjoyment of the purchasing Residential Unit Owner to the exclusion of all other Residential Unit Owners. As a Residential Common Element, or, upon being licensed, a Residential Limited Common Element, any special fees arising in connection with the maintenance of the Storage Room or a particular Storage Locker will be imposed in accordance with the By-laws as it relates to these types of Residential Common Elements.

Storage Locker Licenses are transferable in accordance with the terms thereof; provided, however, that (other than transfers by Sponsor and/or its designees) the transferee is, or will be at the time of transfer, a Residential Unit Owner.

Sponsor reserves the right to offer for sale as many Storage Locker Licenses as it determines and to withhold one or more for future sale. Sponsor reserves the right to change the size and/or number of Storage Lockers for so long as Sponsor holds Storage Locker Licenses. Additionally, Sponsor reserves the right to add Storage Lockers within the Storage Room and/or the Cellar Level and offer additional Storage Locker Licenses for sale prior to the third anniversary of the Closing of the first Residential Unit. The Board shall not charge Sponsor any fees in connection with Sponsor's exercise of its rights to add additional Storage Lockers.

Sponsor reserves the right to designate at Closing the Storage Locker which will be subject to such Storage Locker License. In addition, Sponsor has the right to limit the number of Storage Locker Licenses sold to any single Purchaser of a Residential Unit or to make bulk sales, as it deems fit. Storage Lockers may only be used for the uses set forth in the Plan and the Storage Locker License, except for those owned by the Sponsor, cannot be licensed independently of the ownership of a Residential Unit.

(d) General

The prices for each of the Residential Units offered under this Plan are listed in "Schedule A - Prices of Residential Units and Related Information." THESE PRICES HAVE BEEN SET BY SPONSOR AND ARE NOT SUBJECT TO APPROVAL BY ANY GOVERNMENTAL AGENCY.

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

This offering is restricted to individuals the age of 18 years or older, corporations, partnerships, limited liability companies, trusts, estates and other business entities that may hold title to real estate pursuant to New York Law. If the Purchaser is a trust, the Purchaser must, prior to executing an Agreement, provide Sponsor's attorney with documentation satisfactory to Sponsor's attorney which shall include, without limitation, a copy of the trust agreement, an affidavit from the trustee regarding the validity of the trust and all other information as may be required by Sponsor's attorney.

Each Residential Unit and its appurtenant Common Elements, Residential Common Elements and Residential Limited Common Elements, is being sold "as is" in the condition in which it exists on the date a Purchaser executes an Agreement for such Residential Unit, subject to ordinary wear and tear and further

subject to Sponsor's obligation to maintain the Building until the First Closing and to make repairs, improvements or decorations as may be otherwise set forth in this Plan. All equipment and furnishings described in this Plan as included in the Residential Unit are included in the purchase prices set forth on Schedule A. Purchasers are advised that former or current occupants of the Residential Units may have made alterations to certain Residential Units, including without limitation, installation and/or relocation of interior walls without Sponsor's consent or knowledge. Consequently, Sponsor makes no representation, warranty or guarantee as to whether any of said alterations were completed in compliance with all applicable governmental laws and regulations.

Sponsor reserves the right to undertake substantial construction work in common areas and vacant Residential Units of the Building, including the installation of new electric wiring, sheetrock, kitchens and baths. A Purchaser may request that a vacant Residential Unit be delivered at Closing in its "as is" condition. Sponsor will amend this Plan to disclose renovations, including finishes and installations, when plans have been finalized for renovations to vacant Residential Units. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 8:00 A.M. and 5:00 P.M. Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on the Cellar Level and hauled away. The foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has 1 or more vacant Unsold Residential Units. When Sponsor is doing substantial construction work in vacant Residential Units in the Building, Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building.

Any walls or partitions contained in a Residential Unit which do not conform to the Floor Plans contained in Part II of the Offering Plan must be removed at the Residential Unit Owner's sole cost and expense in accordance with the provisions of the Declaration and By-Laws of the Condominium and as required by law. Any walls or partitions to be erected in a Residential Unit other than those shown on the Floor Plans contained in Part II of the Offering Plan must conform with the requirements of the Declaration and By-Laws of the Condominium and as required by law, and the Residential Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall. Vacant Units owned by the Sponsor will conform with the Floor Plans contained in Part II of the Plan, applicable building code and applicable legal requirements prior to sale to a Purchaser.

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

Additionally, each Purchaser of a Residential Unit will be required to make a contribution to the Working Capital Fund of the Condominium at the time of Closing of the Residential Unit, in an amount equal to 2 months of the Common Charges in effect at the time of the closing of each Residential Unit. See the Section entitled "Working Capital Fund and Apportionments."

In addition to the payment of Common Charges, each Residential Unit Owner will be responsible for the payment of the real estate taxes which will be separately assessed against such Residential Unit Owner's Residential Unit, interest and amortization payments on the mortgage, if any, obtained by

Purchaser and charges for electricity and gas consumed in such Residential Unit Owner's Residential Unit and the cost for telephone, cable and similar services.

The charges for electricity consumed by each Residential Unit Owner for the relevant Residential Unit will be separately metered and billed directly to such Residential Unit Owner by Con Edison. Water charges and sewer rents, assessed by the City of New York, will be billed to the Condominium as a Common Expense, as described with greater detail in Schedule B - Projected Budget for First Year of Condominium Operation. The costs and expenses of gas for domestic cooking consumed by each Residential Unit Owner for the relevant Residential Unit will be separately metered and billed directly to the Residential Unit Owner by Con Edison. 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.

Applicable Rent Laws

After the Declaration is recorded creating the Condominium, spaces presently occupied as apartments will become the Residential Units of the Condominium. All such apartments are referred to as Residential Units throughout this Plan.

This Plan is a non-eviction plan and is being presented in compliance with the requirements of Section 352-eeee of the General Business Law (the "GBL") which sets forth the procedure for converting dwelling units to condominium ownership. Under the GBL, Sponsor may declare this Plan to be effective when Agreements have been executed for at least 15% of the Residential Units in the Building by bona fide tenants in occupancy on the Filing Date or bona fide purchasers who represent that they intend that they or 1 or more specified members of their immediate family will occupy the Residential Unit when it becomes vacant. A Non-Purchasing Tenant of a Residential Unit will not be evicted solely by reason of conversion of the Property to condominium ownership. However, the lease of a Non-Purchasing Tenant that is not subject to the Rent Laws and that expires prior to the effective date of this Plan may not be renewed by Sponsor and such Non-Purchasing Tenant may be evicted as the result of such non-renewal. No eviction proceedings will be commenced at any time after the effective date of this Plan against Non-Purchasing Tenants for failure to purchase or any other reason solely applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium or its Managing Agent, a breach by the Non-Purchasing Tenant of his or her obligations to the owner of the Residential Unit, the failure of the Non-Purchasing Tenant to enter into a renewal lease or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that the Residential Unit is needed for the use and occupancy of the Non-Tenant Purchaser or the Non-Tenant Purchaser's family. Please refer to the Sections of this Plan entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied By Non-Purchasing Tenants" for further details.

Certain of the Residential Units in the Building being offered for sale under this Plan are subject to the, the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder, as same may be amended (collectively, the "Rent Laws"), as a result of the Building being constructed prior to July 1, 1974 and containing more than 6 residential apartments. As of December 12, 2017, 67 of the Residential Units being offered for sale are subject to rent stabilization and 17 of the Residential Units being offered for sale are vacant. As of December 12, 2017, there are 3 non-payment proceedings and 0 holdover proceedings pending against tenants at the Building. Notwithstanding the foregoing, Sponsor reserves the right to bring any proceedings under the Rent Laws in the future. There is no major capital improvement ("MCI") application currently pending pursuant to

which Sponsor is seeking a rent increase for work performed in the Building from those tenants whose rents are regulated under the Rent Laws. Sponsor reserves the right to seek MCI and other increases in the future to the extent available. The status of each Residential Unit under the Rent Laws is set forth in Schedule A. Please refer to the Sections of this Plan entitled “Rights of Existing Tenants” and “Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants” for further details. Please refer to the Section of this Plan entitled “Rights of Existing Tenants” for further information regarding the rights of tenants holding “free market” leases.

The term “Non-Purchasing Tenant” (as such term is defined in the GBL) means a person who has not purchased a Unit pursuant to this Plan and who is a tenant entitled to possession at the time this Plan is declared effective or a person to whom a Unit is rented by Sponsor subsequent to the effective date of this Plan. A person who sublets a Unit from “a purchaser under this Plan” (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings will be commenced at any time after the effective date of this Plan against Non-Purchasing Tenants for failure to purchase or any reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the Unit, refusal of reasonable access to the Unit by the Condominium or its Managing Agent or a breach by the Non-Purchasing Tenant of his or her obligations to the owner of the Unit or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Unit may not commence an action to recover possession from a Non-Purchasing Tenant on the grounds that he or she seeks the Unit for the use and occupancy of himself or herself or its family members.

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

(C) Under this non-eviction Plan, Non-Purchasing Tenants who reside in Units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date of this Plan, and whose leases expire and against whom holdover proceedings are commenced before the Effective Date of this Plan retain only the minimal protections available to the common law “tenant at sufferance” and ARE NOT PROTECTED from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction. Tenants who lease Unsold Units after the Effective Date of this Plan are protected from eviction and from unconscionable rent increases if they do not purchase their Unit. Unconscionable rent increases are defined by law as increases that are “beyond ordinary rentals for comparable apartments during the period of their occupancy”.

Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 120 Broadway, 23rd Floor, New York, New York 10271.

Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements (“MCI”) made by Sponsor, the Board or purchasers of Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI. Sponsor may take a credit against the Reserve Fund, for qualifying work performed in the Building. Sponsor may perform or engage 1 or more contractors to perform qualifying work. Please refer to the Section of this Plan entitled “Reserve Fund” for further details.

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

(E) The rights granted under this Plan to “purchasers under this Plan” (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL. Please refer to the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers” in Part I of this Plan for further details.

CERTAIN DEFINITIONS

For convenience of presentation, general definitions of certain of the terms used in this 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:

“Agreement” refers to the agreement to purchase a Residential Unit pursuant to this Plan, the form of which is set forth in Part II of this Plan.

“Appurtenant Interest” refers to: (i) the undivided interest in the Common Elements and Residential Common Elements of a Residential Unit, (ii) the interest of such Residential Unit Owner in any other Residential Unit acquired by the Board or its designee, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Residential Unit Owner in any other assets of the Condominium, pursuant to the provisions of Section 339-x of the Condominium Act.

“Board” refers to the board of managers comprised of representatives of the Unit Owners.

“Building” refers to the structure and improvements including above and below grade segments, known as 12-34 Crown Street, Brooklyn, New York 11225 in which the Units of the Condominium are located.

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

“Cellar Level” refers to the level below the 1st floor.

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

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

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

“Commercial Unit” refer to the commercial space in the Cellar Level. The Commercial Unit is not being offered for sale hereby.

“Commercial Unit Owner” refer to the owners of the Commercial Unit.

“Common Charges” refers to assessments payable to the Condominium by the Unit Owners for the purpose of meeting the cost of Common Expenses, as more particularly defined in the Declaration.

“Common Elements” refers to the Land and all parts of the Building, including its, foundations and supports, other than the Units, Residential Common Elements and Residential Limited Common Elements as more particularly defined in the Declaration.

“Common Expenses” refers to the costs and expenses (including the payment of wages) in connection with the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements and Residential Common Elements and certain other expenses common to all Residential Unit Owners.

“Common Interest” refers to the proportionate undivided interest in the Common Elements appurtenant to each Unit, expressed as a numerical percentage, determined in accordance with the Declaration.

“Condominium” refers to The Crown¹² Condominium.

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

“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 this Plan.

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

“Emergency” refers to any situation where the applicable person, in his or her reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary (i) to avoid material damage to all or any material portion of the Building or the Property, (ii) to protect any person from harm, or (iii) to avoid the unforeseen and unforeseeable suspension of any necessary material service in or to the Building or the Property that would have a material and adverse effect on the Building or the Property.

“Facade” or “Facades” refers to the exterior facades of the Building including, without limitation, the exterior walls, window sills, cornices, parapets, doors and entrance ways and all other components (excluding the roof) of the exterior surfaces of the Building.

“First Closing,” or “First Closing Date” or words of similar import, refers to the date of the first closing of fee title to a Residential Unit to a Purchaser pursuant to this Plan.

“Floor Plans” refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Department of The City of New York and filed with the City Register’s Office.

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

“Interim Use and Occupancy Agreement” refers to an agreement allowing a Purchaser to take possession of a vacant Residential Unit prior to Closing.

“Land” refers to the parcel of land described in Exhibit A to the Declaration.

“Law” or “Laws” refers to laws and ordinances of any or all of the federal, state, city and county governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property, any Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

“Licensee” refers to a Person that has entered into a Storage Locker License.

“Maintenance” or “Maintain” refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration,

addition, reconstruction, construction, demolition, restoration, replacement or other similar action as and when necessary or desirable of any portion of the Building.

“Managing Agent” refers to the managing agent or manager of the Building at the time in question.

“Non-Purchasing Tenant” (as such term is defined in the GBL) means a person who has not purchased a Residential Unit pursuant to this Plan and who is a residential tenant entitled to possession at the time this Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date of this Plan. A person who sublets a Residential Unit from “a purchaser under this Plan” (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

“Non-Tenant Purchaser” refers to a Purchaser who is not a Tenant Purchaser.

“Offeree” refers to (a) a Purchaser who has executed and delivered an Agreement for a Residential Unit and who is not in default thereunder, (b) a Residential Unit Owner, and (c) any other person or entity who, pursuant to Law, is an offeree of this Plan.

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

“Permitted Mortgage” refers to a mortgage permitted to be placed upon a Unit or Units pursuant to the provisions of the By-Laws.

“Permitted Mortgagee” refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Sponsor to acquire or improve the Property.

“Plan” refers to this offering plan for the establishment of condominium ownership, as filed with the Department of Law, as the same may be amended from time to time.

“Presentation Date” refers to the date on which this Plan or an amendment thereto, as the case may be, is personally delivered or the 5th day after mailing to the tenants in occupancy of Residential Units following acceptance of this Plan or an amendment thereto for filing by the Department of Law.

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

“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.

“Rent Laws” refers to (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent and Rehabilitation Law, (iii) the Rent and Eviction Regulations of the New York City Housing and Development Administration (rent control), (iv) New York State General Business Law, Section 352-eeee, (v) the Rent Regulation Reform Act of 1993 and 1997, (vi) the Emergency Tenant Protection Act of 1974 and (vii) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof to the extent that any or all of the same shall apply to the Property, as the same may be amended from time to time.

“Residential Common Elements” refers to those parts of the Building as well as the Facilities therein, existing for the exclusive common use of the Residential Units or the Residential Unit Owners.

“Residential Common Expenses” refers to all costs and expenses to be incurred by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with the repair, maintenance, replacement restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements.

“Residential Common Interests” refers to the undivided interest in the Residential Common Elements appurtenant to each Residential Unit, expressed as a numerical percentage, determined in accordance with the Declaration.

“Residential Limited Common Elements” refers to those portions of the Building, and improvements (other than the Residential Units), if any, to which a particular Residential Unit Owner has exclusive access and use.

“Residential Members of the Board” or “Residential Board Members” refers to the members of the Board elected by the Residential Unit Owners or designated or nominated and elected by the Sponsor or its designee.

“Residential Unit” refers to a Residential Unit designated in the Declaration and the Floor Plans, 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.”

“Residential Rules and Regulations” refers to the rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

“Schedule A” refers to “Schedule A – Prices of Residential Units and Related Information” for the Projected First Year of Condominium Operation set forth in Part I of this Plan.

“Schedule B” refers to “Schedule B - Projected Budget for First Year of Condominium Operation” set forth in Part I of this Plan.

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

“Sign” refers to one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerals, antennas or the like within the Property and/or on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit or Commercial Unit and (ii) the operation of any business of Sponsor, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Residential Unit and/or the Commercial Unit.

“Special Assessment” refers to changes allocated and assessed by the Board to Unit Owners, pro-rata in accordance with their respective Common Interest (except as otherwise provided in the Declaration or the By-Laws) in accordance with the By-Laws of the Condominium or to the Residential Unit Owners pro-rata in accordance with the By-Laws of the Condominium or to the Residential Unit Owners pro-rata in accordance with their respective Residential Common Interests (except as otherwise provided in the Declaration or By-Laws) in accordance with the By-Laws of the Condominium.

“Sponsor” refers to 12 Realty Associates LLC, a New York limited liability company, and its designees, successors and assigns.

“Sponsor Control Period” or “Initial Control Period” refers to the period ending the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units having at least 50% of the Common Interests of all Units or (ii) 5 years after the First Closing.

“Sponsor’s Transferee” refers to a Purchaser to whom Sponsor makes a bulk sale of Units.

“Storage Locker” refers to any storage locker located in the Storage Space.

“Storage Locker License” or “Storage Locker License Agreement” refers to an agreement entitling the Licensee to use a Storage Locker.

“Storage Room” refers to an area located in the cellar of the Building containing Storage Lockers. The Storage Room is a Residential Common Element.

“Tenant Purchaser” shall have the meaning set forth in the Section of this Plan entitled “Rights of Existing Tenants.”

“Unit” refers to any Unit designated as a Unit in the Declaration and Floor Plans, as same may be amended from time to time, and all such Units, are, collectively, referred to as the “Units.”

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

“Unsold Residential Unit” refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Sponsor or its designee or a Sponsor’s Transferee; a Residential Unit that is acquired, individually or collectively, by a principal of Sponsor or a group of which Sponsor or 1 or more of the principals of Sponsor, is a member; a Residential Unit that is acquired, individually or collectively, by either the holder of a Permitted Mortgage given by Sponsor or the designee of a holder of such a Permitted Mortgage; or any Residential Unit for which there is a signed Agreement but for which Closing has not yet occurred.

All other capitalized terms used in Part I of this 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.

DESCRIPTION OF PROPERTY

The Building

The structure and improvements including above and below grade segments, known as 12-34 Crown Street, Brooklyn, New York 11225 was constructed on or about 1928 as an apartment building (the "Building"). The Building consists of a 6 story building and cellar with apartments on floors 1 through 6. The Superintendent's Apartment is on the First Floor. There are a total of 84 Residential Units situated on floors 1 through 6. The Cellar Level includes or will include: a boiler room, oil room, garbage room, elevator room, security room, meter room, storage, laundry room (may be installed prior to the First Closing), compactor room, Storage Lockers (to be installed prior to the First Closing) and Commercial Unit (the "Commercial Unit"). The Commercial Unit is not being offered for sale hereby. The Commercial Unit is currently occupied by a day care center. Sponsor makes no representation as to the continued occupancy of the Commercial Unit by the existing tenant. There are no recreational facilities currently located within the Building. The Building is not an individual landmark or within a landmarked district.

Residential Units

Subject to the rights of Sponsor and its designee to change the number of Residential Units, there are a total of 84 Residential Units situated on floors 1 through 6 of the Building. The Superintendent's Apartment is on the First Floor. Detailed descriptions of the Residential Units are set forth in the Declaration and in the "Description of Property" in Part II of this Plan. See also the Section entitled "Changes in Prices and Residential Units." Please refer to "Schedule A - Prices of Units and Related Information" for further details.

Each Residential Unit and its appurtenant Common Elements, Residential Common Elements and Residential Limited Common Elements are being sold "as is" in the condition in which they exist on the date an Agreement is executed for such Residential Unit, subject to ordinary wear and tear and further subject to Sponsor's obligation to Maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in this Plan.

Notwithstanding the foregoing, Sponsor reserves the right to undertake substantial construction work in common areas and vacant Residential Units of the Building, including the installation of new electric wiring, sheetrock, kitchens and baths, and in common areas of the Building. A Purchaser may request that a vacant Residential Unit be delivered at Closing in its "as is" condition. Sponsor will amend this Plan to disclose renovations, including finishes and installations, when plans have been finalized for renovations to vacant Residential Units. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 8:00 A.M. and 5:00 P.M. Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on the Cellar Level and hauled away. The foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has 1 or more vacant Unsold Residential Units. When Sponsor is doing substantial construction work in vacant Residential Units in the Building, Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building.

Sponsor and its designee reserve the right, without prior notice or amendment to this Plan, to use Unsold Residential Units on any floor of the Building as sales and leasing offices and model Residential Units. In the event Sponsor or its designee, thereafter, elects to sell any such Unsold Residential Units, Sponsor or its designee may require the Purchaser thereof to purchase all or any of the furniture, furnishings, equipment or decorations therein and pay, in addition to the purchase price for such Unsold Residential Unit, such amounts as Sponsor determines.

A Residential Unit Owner may only use such Residential Unit Owner's 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 building 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 such Residential Unit Owner's Residential Unit for a use violative of the By-Laws.

Commercial Unit

On or about the date of the First Closing, the Commercial Unit will be retained by Sponsor. The Commercial Unit is comprised of space on the Cellar Level (which is currently used for a daycare center), the structural systems within the Commercial Unit, the doors, the windows (including the glass) the entrance(s), all plumbing, gas and heating fixtures, equipment, appliances, heating, ventilating and air conditioning units, heating equipment, sinks, water closets and all other Facilities as may be affixed, attached or appurtenant to the Commercial Unit and serving the Commercial Unit exclusively. Sponsor and any subsequent Commercial Unit Owner shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any, to: change the use (including but not limited to residential use) or layout of, or number of spaces or rooms in the Commercial Unit; amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit; change the size of the Commercial Unit by subdividing the Commercial Unit into 2 or more separate Commercial Units or combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units and if appropriate, reapportion among the Commercial Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws.

Superintendent's Apartment

The Superintendent will continue to occupy an apartment located on the First Floor (the "Superintendent's Apartment"). The Superintendent's Apartment will be part of the Residential Common Elements and all charges attributable to the Superintendent's Apartment, including the costs of utilities and the costs of repairs, alterations and improvements to the Superintendent's Apartment, shall be borne by all Residential Unit Owners as a Residential Common Expense.

Storage Locker Licenses

There will be 10 Storage Lockers approximately 3' x 5' x 6' high, each of which will be located in the Storage Room at the cellar level of the Building. Sponsor reserves the right to change the size and/or number of Storage Lockers for so long as Sponsor holds Storage Locker Licenses. Additionally, Sponsor reserves the right to add Storage Lockers within the Storage Room and/or the Cellar Level and offer additional Storage Locker Licenses for sale prior to the third anniversary of the First Closing. The Board shall not charge Sponsor any fees in connection with Sponsor's exercise of its rights to add additional Storage Lockers. Each Storage Locker licensed to a Residential Unit Owner other than the Sponsor shall be used only for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof,

or which would otherwise create a nuisance, be stored therein. Except for Storage Lockers owned by Sponsor, no Storage Locker may be licensed independently of the ownership of a Residential Unit. Sponsor shall have the right to use any unassigned Storage Lockers for any lawful purpose or to change the permitted use of any unassigned Storage Locker, subject however, to the provisions of the By-laws.

The term of the Storage Locker License will commence no earlier than the date upon which Purchaser closes title to a Residential Unit and no later than the date upon which Purchaser closes on the purchase of the Storage Locker License if not simultaneously with the purchase of a Residential Unit. The license grants a licensee a revocable and exclusive privilege to use and occupy a space without granting the licensee an interest in the property. The term of the Storage Locker License will terminate upon the earlier of (i) the termination of the Storage Locker License by the Board pursuant to the terms of the Storage Locker License or By-laws; (ii) the date on which the Licensee no longer is a Residential Unit Owner and has not transferred the Storage Locker License to another Residential Unit Owner pursuant to its terms; or (iii) the date on which the Licensee voluntarily terminates the Storage Locker License. The Plan does not provide at this time for any fees associated with the licensing of a Storage Locker other than the Purchase Price of the Storage Locker License. As a Residential Common Element, or, upon being licensed, a Residential Limited Common Element, any special fees arising in connection with the maintenance of the Storage Room or a particular Storage Locker will be imposed in accordance with the By-laws as it relates to these types of Common Elements.

Facade

The exterior facade of the Building (including, without limitation, the exterior walls, window sills, cornices, parapets, doors and entrance ways and all other components, (excluding the roof) of the exterior surfaces of the Building (the "Facade" or "Facades"), generally will be treated as a Residential Common Element, including, without limitation, as to costs and expenses of repair, maintenance and replacement and matters of liability.

Common Elements

Generally, the Common Elements include, among other things, the following: (a) the Property, other than the Units, the Residential Common Elements and the Residential Limited Common Elements, (b) the Land (including the landscaping, sidewalks and walkways thereon or appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto, (c) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, floor slabs and, all interior walls, partitions, floor slabs and ceilings, on, or under the Building, separating a Unit from a Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a Common Element or the Commercial Unit from a Residential Unit, Residential Common Element or a Residential Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element or Commercial Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements or Residential Limited Common Elements, (d) any and all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Commercial Unit and/or both the Common Elements and/or the Residential Common Elements and/or the Residential Limited Common Elements to the extent that same are not expressly included as a part of the Residential Common Elements or Residential Limited Common Elements, (e) all other parts of the Property, and all apparatus and installations and facilities now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance or safety of the Property.

Residential Common Elements

The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the benefit of the Residential Units or of the Residential Unit Owners. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include: (a) the lobbies, mail rooms, all stairways, passenger elevators and their respective bulkheads, shafts, pits and equipment rooms, residential hallways, window casements and frames, cellars, storage spaces, roof and Facade; (b) compactor rooms and their respective shafts and equipment; (c) the service entrances, package/storage rooms, workshops and laundry room (may be installed prior to the First Closing); (d) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element or Residential Limited Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a Common Element or the Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element to the extent that same are not a part of the Common elements or Residential Limited Common Elements; (e) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master & cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only; (f) all interior portions of the Building, to the extent that the same are not expressly included as part of the Common Elements, Residential Limited Common Elements or Units; and (g) the Superintendent's Apartment.

Residential Limited Common Elements

The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units, including without limitation Storage Lockers licensed to a Residential Unit Owner.

Services and Facilities

The Building will be Maintained, operated and staffed in a manner to be determined by the Board. Prospective purchasers are urged to carefully review Schedule B in Part I of this Plan and the Description of Property set forth in Part II of this Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. Notwithstanding the foregoing, however, the Board shall at all times Maintain, operate and staff the Building in compliance with, and subject to, all applicable Laws and any rights of Non-Purchasing Tenants under the GBL. Except as otherwise consented to in writing by Sponsor, the Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration in accordance with the Rent Laws, except for those services, if any, that are the obligation of Sponsor to provide under the terms of the Declaration or this Plan. The Board shall not impose any charge or fee against the tenants or occupants of the Residential Units owned by Sponsor or its designee or against Sponsor on account of any services provided to such tenants and occupants unless Sponsor or its designee is permitted by the Rent Laws to impose such charge or fee against such tenants or occupants. Such permitted charge or fee may be increased by the Board, but only to the extent Sponsor or the owner of the Unsold Residential Units would be allowed to charge its tenants such increased charges or fees under the Rent Laws. If, as the result of the aforesaid limitations on the Board, the amount of such charges or fees collected by the Board is insufficient to cover the cost of providing such service(s), then such additional cost will be included in Common Charges and borne by all Residential Unit Owners in proportion to their respective Common Interests.

Except as otherwise noted above, and except as otherwise required under the Rent Laws, all determinations with respect to the continuance of services and facilities for the Building will be made by

the Board which, until the expiration of the Sponsor Control Period, will be controlled by Sponsor. See the Section of this Plan entitled "Control by Sponsor."

None of Sponsor, any Selling Agent or the Managing Agent will in any event be liable for the interruption, discontinuance or quality of any of the foregoing services, 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, including Building personnel or otherwise, provided that any such act or omission is not caused by the gross negligence of Sponsor, any Selling Agent or the Managing Agent.

Laundry Room

Sponsor may install a laundry room in the Building prior to the First Closing. In the event that Sponsor does install a laundry room, the Condominium will enter into a 25 year concession agreement for the laundry room with Sponsor or an affiliate of Sponsor. Sponsor will provide a Tenant Protection Plan to tenants prior to commencing construction to create a laundry room in the cellar. The concession agreement with Sponsor or an affiliate of Sponsor may prevent the Condominium from negotiating a concession agreement with another vendor and possibly receiving a higher annual rental amount. The initial annual rent shall be \$1,800. The laundry room will be a part of the Residential Common Elements and will only be for the use of residents of the Building. The Condominium will provide at its cost all necessary utilities, including but not limited to gas, electricity, water and sewer. It is anticipated that the expense to the Condominium for the foregoing shall not exceed the rent payable. The annual rent shall increase by \$50 per month on the 5th, 10th, 15th and 20th anniversary of the lease commencement date. Notwithstanding the foregoing, within 90 days of the end of each year, the Condominium shall have the right to furnish the Sponsor with a written statement in reasonable detail of the actual utility costs for the usage of the laundry room for the preceding year. If the actual utility costs for the laundry room for such year exceed the aggregate of Sponsor's rent payments for said year, Sponsor shall pay the Condominium any deficiency due within 20 days after receipt of said statement, so that Sponsor's actual payment for such year shall equal 110% of the prior year's actual utility costs for the usage of the laundry room.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 11.C.0 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 years after the date that the sponsor or sponsor affiliate ceases to control the board or owns 25% or less of the units in the project, whichever occurs first. A "self-dealing" contract is defined under the Act as any contract or portion thereof which is entered into after October 8, 1980, which: (i) provides for operation, maintenance or management of a condominium association in a conversion project, or of property serving the condominium unit owners in such project; (ii) is between such unit owners or such association and the sponsor or an affiliate of the sponsor; (iii) was entered into while such association was controlled by the sponsor during the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 years, including any automatic renewal provisions which are exercisable at the sole option of the sponsor or an affiliate of the sponsor; and (v) may not be terminated without penalty by such unit owners or such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by

the unit owners to the sponsor or sponsor affiliate. See the Description of Property Section in Part II of the Plan for a description of the work to create the laundry room.

Known Reports

In accordance with the provisions of 13 NYCRR 23.7(cc) (the “Asbestos Regulations”), a copy of the most recent Asbestos Report, as prepared by Singer Environmental Group, LTD for the Property, is set forth in Part II of this Plan. Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material (“ACM”) is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the “Asbestos Report”) which indicates no presence of visible and/or friable ACM in the Building.

LOCATION AND AREA INFORMATION

Location and Services

The Condominium is located at 12-34 Crown Street between Washington Avenue and Franklin Avenue in the Borough of Brooklyn in the City of New York. The Building's main entrance is located on Crown Street. The property is bounded on the west by a 6 story residential building, on the north by Crown Street, on the south by a 1 story commercial and office building, and on the east by the New York City Transit Authority Property a/k/a the "S" shuttle line.

Brooklyn is 1 of the 5 boroughs 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.

The Condominium is served by a variety of transportation facilities. Taxi and car service is readily available throughout the city. Municipal bus service for the Condominium area is conveniently available. The nearest entrance to the 2/3/4/5/S subway lines are located at the intersections of Eastern Parkway and the Botanic Gardens less than ¼ mile away. The B48 bus runs along Washington Avenue, less than a half block from the building

The Condominium is near the Brooklyn Botanic Gardens, The Brooklyn Museum and Prospect Park.

Police, fire, water, sanitation and snow removal are provided by the City of New York.

The City of New York is responsible for the maintenance of the streets adjacent to the Condominium.

There is no guaranty that any of the foregoing services or amenities will continue to be available to Residential Unit Owners or residents in the future or that any change in the foregoing will not adversely impact upon the value of the Residential Units. Sponsor makes no representations that the character of the neighborhood, the businesses and other institutions which operate there or the qualitative nature of the surroundings will not change.

Zoning and Use

The Property is located in an R8A zoning district that is predominantly residential with quality housing regulations which are mandatory. This district typically provides residential use groups 1 and 2 and community facility use groups 3 and 4, which permits the as-of-right uses under Use Groups 1, 2, 3 and 4. Zoning Use Groups 1 and 2 are comprised of all types of residences ranging from single-family, apartment houses, to affordable independent residences for seniors. Zoning Use Groups 3 and 4 are dedicated to Community Facilities. Use Group 3 covers colleges, schools, day care facilities, libraries, museums and galleries, as well as those accessory to the uses of this group. Use Group 4 consists of ambulatory health centers, clubs, community centers, houses of worship, monasteries, hospitals (not including animal hospitals, welfare centers and similar non-profit institutions).

Neither Sponsor nor its principals own in whole or in part, nor do they have an option or right to acquire, any adjacent areas which are not fully developed, other than possible unused floor area development rights, Sponsor shall retain any unused floor area development rights.

SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION
The Crown12 Condominium
Projected Common Charges and Real Estate Taxes
For First Year of Condominium Operation
(assuming July 1, 2018 - June 30, 2019)

Unit No	Status (1)	No. of Bedrooms/Baths		Approx. Sq. Ft. (2)	Total Cash Payment to Tenant Purchasers (3)	Total Cash Payment to Non-Tenant Purchasers (3)	% of Common Interest (4)	% of Residential Common Interest (4)	Estimated First Year's Common Charges (5)		Estimated First Year's Real Estate Tax (6)		Estimated First Year's Common Charges and Real Estate Taxes	
									Annual	Monthly	Annual	Monthly	Annual	Monthly
A01	Superintendent	2.0	1.0	-	\$0	\$0	0.0000%	0.0000%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
A02	s	1.0	1.0	762	\$618,000	\$727,000	0.9985%	1.0189%	\$4,780.07	\$398.34	\$1,929.39	\$160.78	\$6,709.46	\$559.12
A03	s	1.0	1.0	756	\$613,700	\$722,000	0.9909%	1.0111%	\$4,743.47	\$395.29	\$1,914.62	\$159.55	\$6,658.09	\$554.84
A04	s	2.0	1.0	1,063	\$813,500	\$957,000	1.3714%	1.3994%	\$6,565.15	\$547.10	\$2,649.90	\$220.83	\$9,215.05	\$767.92
A05	v	-	1.0	415	\$317,900	\$374,000	0.5356%	0.5465%	\$2,563.85	\$213.65	\$1,034.85	\$86.24	\$3,598.70	\$299.89
A06	v	-	1.0	370	\$283,100	\$333,000	0.4774%	0.4871%	\$2,285.18	\$190.43	\$922.37	\$76.86	\$3,207.55	\$267.30
A07	s	1.0	1.0	781	\$597,600	\$703,000	1.0075%	1.0281%	\$4,823.23	\$401.94	\$1,946.81	\$162.23	\$6,770.04	\$564.17
A08	s	1.0	1.0	875	\$669,800	\$788,000	1.1290%	1.1520%	\$5,404.49	\$450.37	\$2,181.43	\$181.79	\$7,585.92	\$632.16
A09	s	2.0	1.0	1,140	\$872,100	\$1,026,000	1.4707%	1.5007%	\$7,040.38	\$586.70	\$2,841.73	\$236.81	\$9,882.11	\$823.51
A10	s	1.0	1.0	929	\$710,600	\$836,000	1.1984%	1.2229%	\$5,737.11	\$478.09	\$2,315.68	\$192.97	\$8,052.80	\$671.07
A11	v	1.0	1.0	583	\$446,300	\$525,000	0.7522%	0.7676%	\$3,601.12	\$300.09	\$1,453.53	\$121.13	\$5,054.65	\$421.22
A12	s	3.0	1.0	1,692	\$1,372,800	\$1,615,000	2.2174%	2.2627%	\$10,615.23	\$884.60	\$4,284.65	\$357.05	\$14,899.88	\$1,241.66
A14	v	-	1.0	439	\$356,200	\$419,000	0.5754%	0.5871%	\$2,754.32	\$229.53	\$1,111.73	\$92.64	\$3,866.05	\$322.17
A15	s	1.0	1.0	788	\$639,200	\$752,000	1.0326%	1.0537%	\$4,943.33	\$411.94	\$1,995.29	\$166.27	\$6,938.61	\$578.22
B01	s	1.0	1.0	749	\$630,700	\$742,000	0.9918%	1.0120%	\$4,747.70	\$395.64	\$1,916.32	\$159.69	\$6,664.02	\$555.34
B02	s	1.0	1.0	802	\$674,900	\$794,000	1.0617%	1.0834%	\$5,082.66	\$423.56	\$2,051.53	\$170.96	\$7,134.19	\$594.52
B03	s	2.0	1.0	1,002	\$843,200	\$992,000	1.3265%	1.3536%	\$6,350.28	\$529.19	\$2,563.18	\$213.60	\$8,913.46	\$742.79
B04	s	1.0	1.0	756	\$636,700	\$749,000	1.0011%	1.0215%	\$4,792.27	\$399.36	\$1,934.31	\$161.19	\$6,726.58	\$560.55
B05	s	2.0	1.0	1,063	\$845,800	\$995,000	1.3857%	1.4140%	\$6,633.64	\$552.80	\$2,677.55	\$223.13	\$9,311.19	\$775.93
B06	v	-	1.0	415	\$330,700	\$389,000	0.5412%	0.5522%	\$2,590.59	\$215.88	\$1,045.65	\$87.14	\$3,636.24	\$303.02
B07	v	-	1.0	370	\$294,100	\$346,000	0.4822%	0.4920%	\$2,308.17	\$192.35	\$931.65	\$77.64	\$3,239.82	\$269.99
B08	v	1.0	1.0	781	\$621,400	\$731,000	1.0181%	1.0389%	\$4,873.90	\$406.16	\$1,967.26	\$163.94	\$6,841.16	\$570.10
B09	s	1.0	1.0	875	\$696,200	\$819,000	1.1406%	1.1639%	\$5,460.32	\$455.03	\$2,203.96	\$183.66	\$7,664.28	\$638.69
B10	s	2.0	1.0	1,140	\$907,000	\$1,067,000	1.4861%	1.5164%	\$7,114.04	\$592.84	\$2,871.46	\$239.29	\$9,985.49	\$832.12
B11	v	2.0	1.0	1,136	\$904,400	\$1,064,000	1.4812%	1.5114%	\$7,090.58	\$590.88	\$2,861.99	\$238.50	\$9,952.57	\$829.38
B12	v	-	1.0	376	\$299,200	\$352,000	0.4902%	0.5002%	\$2,346.64	\$195.55	\$947.18	\$78.93	\$3,293.82	\$274.48
B14	s	3.0	1.0	1,482	\$1,247,800	\$1,468,000	1.9623%	2.0023%	\$9,393.59	\$782.80	\$3,791.56	\$315.96	\$13,185.15	\$1,098.76
B15	s	1.0	1.0	638	\$537,200	\$632,000	0.8448%	0.8620%	\$4,043.99	\$337.00	\$1,632.28	\$136.02	\$5,676.27	\$473.02
B16	s	1.0	1.0	976	\$822,000	\$967,000	1.2923%	1.3187%	\$6,186.55	\$515.55	\$2,497.09	\$208.09	\$8,683.64	\$723.64
C01	s	1.0	1.0	749	\$653,700	\$769,000	1.0019%	1.0223%	\$4,796.02	\$399.67	\$1,935.83	\$161.32	\$6,731.85	\$560.99
C02	v	1.0	1.0	802	\$699,600	\$823,000	1.0726%	1.0945%	\$5,134.74	\$427.89	\$2,072.55	\$172.71	\$7,207.28	\$600.61
C03	s	2.0	1.0	1,002	\$873,800	\$1,028,000	1.3401%	1.3674%	\$6,415.02	\$534.59	\$2,589.31	\$215.78	\$9,004.33	\$750.36
C04	s	1.0	1.0	756	\$659,600	\$776,000	1.0112%	1.0318%	\$4,840.59	\$403.38	\$1,953.82	\$162.82	\$6,794.40	\$566.20
C05	s	2.0	1.0	1,063	\$878,900	\$1,034,000	1.4003%	1.4289%	\$6,703.54	\$558.63	\$2,705.77	\$225.48	\$9,409.31	\$784.11

SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION
The Crown12 Condominium
Projected Common Charges and Real Estate Taxes
For First Year of Condominium Operation
(assuming July 1, 2018 - June 30, 2019)

Unit No	Status (1)	No. of Bedrooms/Baths		Approx. Sq. Ft. (2)	Total Cash Payment to Tenant Purchasers (3)	Total Cash Payment to Non-Tenant Purchasers (3)	% of Common Interest (4)	% of Residential Common Interest (4)	Estimated First Year's Common Charges (5)		Estimated First Year's Real Estate Tax (6)		Estimated First Year's Common Charges and Real Estate Taxes	
					Annual	Monthly			Annual	Monthly	Annual	Monthly		
C06	s	1.0	1.0	785	\$648,600	\$763,000	1.0339%	1.0550%	\$4,949.43	\$412.45	\$1,997.75	\$166.48	\$6,947.18	\$578.93
C07	s	1.0	1.0	781	\$645,200	\$759,000	1.0286%	1.0496%	\$4,924.09	\$410.34	\$1,987.52	\$165.63	\$6,911.62	\$575.97
C08	v	1.0	1.0	875	\$723,400	\$851,000	1.1527%	1.1762%	\$5,518.02	\$459.84	\$2,227.25	\$185.60	\$7,745.28	\$645.44
C09	s	2.0	1.0	1,140	\$941,800	\$1,108,000	1.5015%	1.5321%	\$7,187.69	\$598.97	\$2,901.18	\$241.77	\$10,088.88	\$840.74
C10	s	2.0	1.0	1,136	\$939,300	\$1,105,000	1.4966%	1.5271%	\$7,164.24	\$597.02	\$2,891.72	\$240.98	\$10,055.95	\$838.00
C11	s	-	1.0	376	\$311,100	\$366,000	0.4954%	0.5055%	\$2,371.50	\$197.63	\$957.21	\$79.77	\$3,328.72	\$277.39
C12	s	3.0	1.0	1,482	\$1,292,900	\$1,521,000	1.9821%	2.0226%	\$9,488.83	\$790.74	\$3,830.00	\$319.17	\$13,318.82	\$1,109.90
C14	s	1.0	1.0	638	\$556,800	\$655,000	0.8534%	0.8708%	\$4,085.27	\$340.44	\$1,648.95	\$137.41	\$5,734.22	\$477.85
C15	s	1.0	1.0	976	\$851,700	\$1,002,000	1.3055%	1.3321%	\$6,249.41	\$520.78	\$2,522.46	\$210.21	\$8,771.88	\$730.99
D01	s	1.0	1.0	749	\$676,600	\$796,000	1.0120%	1.0327%	\$4,844.81	\$403.73	\$1,955.52	\$162.96	\$6,800.33	\$566.69
D02	s	1.0	1.0	802	\$724,200	\$852,000	1.0835%	1.1056%	\$5,186.81	\$432.23	\$2,093.56	\$174.46	\$7,280.38	\$606.70
D03	s	2.0	1.0	1,002	\$905,300	\$1,065,000	1.3539%	1.3815%	\$6,481.17	\$540.10	\$2,616.01	\$218.00	\$9,097.18	\$758.10
D04	s	1.0	1.0	756	\$682,600	\$803,000	1.0214%	1.0422%	\$4,889.38	\$407.45	\$1,973.51	\$164.46	\$6,862.89	\$571.91
D05	s	2.0	1.0	1,063	\$911,200	\$1,072,000	1.4146%	1.4435%	\$6,772.04	\$564.34	\$2,733.41	\$227.78	\$9,505.45	\$792.12
D06	s	1.0	1.0	785	\$673,200	\$792,000	1.0448%	1.0661%	\$5,001.50	\$416.79	\$2,018.77	\$168.23	\$7,020.27	\$585.02
D07	s	1.0	1.0	781	\$669,800	\$788,000	1.0395%	1.0607%	\$4,976.17	\$414.68	\$2,008.54	\$167.38	\$6,984.71	\$582.06
D08	s	1.0	1.0	875	\$749,700	\$882,000	1.1642%	1.1880%	\$5,573.38	\$464.45	\$2,249.60	\$187.47	\$7,822.98	\$651.92
D09	s	2.0	1.0	1,140	\$977,500	\$1,150,000	1.5172%	1.5482%	\$7,263.23	\$605.27	\$2,931.67	\$244.31	\$10,194.90	\$849.57
D10	s	1.0	1.0	929	\$796,500	\$937,000	1.2364%	1.2616%	\$5,918.67	\$493.22	\$2,388.97	\$199.08	\$8,307.64	\$692.30
D11	s	1.0	1.0	583	\$499,800	\$588,000	0.7759%	0.7917%	\$3,714.18	\$309.52	\$1,499.16	\$124.93	\$5,213.34	\$434.45
D12	s	3.0	1.0	1,692	\$1,527,500	\$1,797,000	2.2855%	2.3321%	\$10,940.81	\$911.73	\$4,416.06	\$368.01	\$15,356.88	\$1,279.74
D14	s	-	1.0	439	\$396,100	\$466,000	0.5930%	0.6051%	\$2,838.77	\$236.56	\$1,145.82	\$95.48	\$3,984.58	\$332.05
D15	s	1.0	1.0	976	\$881,500	\$1,037,000	1.3187%	1.3456%	\$6,312.75	\$526.06	\$2,548.03	\$212.34	\$8,860.78	\$738.40
E01	s	1.0	1.0	749	\$699,600	\$823,000	1.0221%	1.0430%	\$4,893.13	\$407.76	\$1,975.02	\$164.59	\$6,868.16	\$572.35
E02	s	1.0	1.0	802	\$748,900	\$881,000	1.0944%	1.1167%	\$5,238.89	\$436.57	\$2,114.58	\$176.22	\$7,353.47	\$612.79
E03	v	2.0	1.0	1,002	\$935,900	\$1,101,000	1.3674%	1.3953%	\$6,545.91	\$545.49	\$2,642.14	\$220.18	\$9,188.05	\$765.67
E04	s	1.0	1.0	756	\$705,500	\$830,000	1.0315%	1.0525%	\$4,937.70	\$411.47	\$1,993.01	\$166.08	\$6,930.71	\$577.56
E05	s	2.0	1.0	1,063	\$943,500	\$1,110,000	1.4289%	1.4581%	\$6,840.53	\$570.04	\$2,761.06	\$230.09	\$9,601.59	\$800.13
E06	s	1.0	1.0	785	\$697,000	\$820,000	1.0553%	1.0768%	\$5,051.70	\$420.97	\$2,039.03	\$169.92	\$7,090.73	\$590.89
E07	s	1.0	1.0	781	\$693,600	\$816,000	1.0500%	1.0714%	\$5,026.37	\$418.86	\$2,028.80	\$169.07	\$7,055.17	\$587.93
E08	s	1.0	1.0	875	\$776,900	\$914,000	1.1763%	1.2003%	\$5,631.09	\$469.26	\$2,272.89	\$189.41	\$7,903.98	\$658.66
E09	v	2.0	1.0	1,140	\$1,012,400	\$1,191,000	1.5326%	1.5639%	\$7,336.88	\$611.41	\$2,961.40	\$246.78	\$10,298.28	\$858.19
E10	s	1.0	1.0	929	\$824,500	\$970,000	1.2487%	1.2742%	\$5,977.78	\$498.15	\$2,412.83	\$201.07	\$8,390.61	\$699.22
E11	s	1.0	1.0	583	\$517,700	\$609,000	0.7838%	0.7998%	\$3,752.18	\$312.68	\$1,514.50	\$126.21	\$5,266.68	\$438.89

SCHEDULE A
PRICES OF UNITS AND RELATED INFORMATION
The Crown12 Condominium
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For First Year of Condominium Operation
(assuming July 1, 2018 - June 30, 2019)

Unit No	Status (1)	No. of Bedrooms/Baths		Approx. Sq. Ft. (2)	Total Cash Payment to Tenant Purchasers (3)	Total Cash Payment to Non-Tenant Purchasers (3)	% of Common Interest (4)	% of Residential Common Interest (4)	Estimated First Year's Common Charges (5)		Estimated First Year's Real Estate Tax (6)		Estimated First Year's Common Charges and Real Estate Taxes	
									Annual	Monthly	Annual	Monthly	Annual	Monthly
E12	s	3.0	1.0	1,482	\$1,383,800	\$1,628,000	2.0223%	2.0636%	\$9,681.17	\$806.76	\$3,907.63	\$325.64	\$13,588.81	\$1,132.40
E14	s	1.0	1.0	638	\$595,900	\$701,000	0.8706%	0.8884%	\$4,167.84	\$347.32	\$1,682.27	\$140.19	\$5,850.11	\$487.51
E15	v	1.0	1.0	976	\$911,200	\$1,072,000	1.3318%	1.3590%	\$6,375.61	\$531.30	\$2,573.40	\$214.45	\$8,949.02	\$745.75
F01	s	1.0	1.0	749	\$722,500	\$850,000	1.0323%	1.0534%	\$4,941.92	\$411.83	\$1,994.72	\$166.23	\$6,936.64	\$578.05
F02	s	1.0	1.0	802	\$773,500	\$910,000	1.1052%	1.1278%	\$5,290.96	\$440.91	\$2,135.60	\$177.97	\$7,426.56	\$618.88
F03	s	2.0	1.0	1,002	\$966,500	\$1,137,000	1.3809%	1.4091%	\$6,610.65	\$550.89	\$2,668.27	\$222.36	\$9,278.92	\$773.24
F04	s	1.0	1.0	756	\$729,300	\$858,000	1.0419%	1.0632%	\$4,987.90	\$415.66	\$2,013.28	\$167.77	\$7,001.17	\$583.43
F05	v	2.0	1.0	1,063	\$975,800	\$1,148,000	1.4431%	1.4726%	\$6,908.56	\$575.71	\$2,788.52	\$232.38	\$9,697.07	\$808.09
F06	s	1.0	1.0	785	\$720,800	\$848,000	1.0658%	1.0876%	\$5,102.37	\$425.20	\$2,059.48	\$171.62	\$7,161.85	\$596.82
F07	s	1.0	1.0	781	\$717,400	\$844,000	1.0606%	1.0822%	\$5,077.03	\$423.09	\$2,049.25	\$170.77	\$7,126.29	\$593.86
F08	s	1.0	1.0	875	\$803,300	\$945,000	1.1880%	1.2122%	\$5,686.92	\$473.91	\$2,295.42	\$191.29	\$7,982.34	\$665.19
F09	s	2.0	1.0	1,140	\$1,047,200	\$1,232,000	1.5480%	1.5796%	\$7,410.54	\$617.54	\$2,991.13	\$249.26	\$10,401.67	\$866.81
F10	s	2.0	1.0	1,136	\$1,043,000	\$1,227,000	1.5423%	1.5738%	\$7,383.33	\$615.28	\$2,980.15	\$248.35	\$10,363.47	\$863.62
F11	v	-	1.0	376	\$345,100	\$406,000	0.5105%	0.5209%	\$2,443.75	\$203.65	\$986.38	\$82.20	\$3,430.13	\$285.84
F12	s	3.0	1.0	1,482	\$1,428,900	\$1,681,000	2.0422%	2.0839%	\$9,776.41	\$814.70	\$3,946.07	\$328.84	\$13,722.48	\$1,143.54
F14	v	1.0	1.0	638	\$615,400	\$724,000	0.8793%	0.8972%	\$4,209.12	\$350.76	\$1,698.94	\$141.58	\$5,908.06	\$492.34
F15	s	1.0	1.0	976	\$941,000	\$1,107,000	1.3449%	1.3727%	\$6,439.88	\$536.66	\$2,599.34	\$216.61	\$9,039.23	\$753.27
Total														
84 plus Superintendent		109.0	85.0	73,409	\$63,626,100	\$74,852,000	98.0000%	100.0000%	\$469,140.00	\$39,095.00	\$189,360.01	\$15,780.00	\$658,500.01	\$54,875.00
G-BSMT Commercial unit				1,976			2.0000%		\$4,560.00	\$380.00	3,864.49			
Total				75,385	\$63,626,100	\$74,852,000	100.0000%	100.0000%	\$473,700.00	\$39,475.00	\$193,224.50	\$15,780.00	\$658,500.01	\$54,875.00

NOTES TO SCHEDULE A

1. s = rent stabilized; v = vacant.
2. Any floor plan or sketch shown to a prospective Purchaser, including those set forth in this Plan, is only an approximation within reasonable tolerances of the dimensions and layout of each Residential Unit. The actual layout of a Residential Unit may have been altered by the tenants thereof or by others without Sponsor's consent or knowledge. The actual dimensions and configuration of a Residential Unit may also immaterially vary from its Floor Plan due to, for example: (a) changes required by the Building Department or other government authorities having jurisdiction; (b) normal construction allowances and variances; and (c) varied masonry bearing wall thicknesses. Purchasers will not be excused from their obligations under the Agreement in the event of non-material inaccuracies in a Residential Unit's size. A decrease in a Residential Unit's net square footage of 5% or less will not affect a purchaser's obligations unless such decrease is determined to be a material change. There is a rebuttable presumption that net square footage that is diminished by 5% or less is not material.

If the Residential Unit (or a similar Residential Unit) is available for inspection before the Agreement is executed, the Residential Unit layout as actually exists shall supersede and govern any variation, substantial or otherwise, from any and all Floor Plans, drawings and diagrams. The square foot area and dimensions of the Residential Units listed in Schedule A or in the Declaration are approximate (within reasonable tolerances) and may change upon re-measurement or due to field conditions, construction variances and tolerances and were obtained by using the method customarily used in New York State to measure condominium apartments. Each Residential Unit (or a similar Residential Unit) should be inspected prior to execution of the Agreement to determine its actual dimensions, layout and physical condition. No variation of less than 5% of the net square footage area will affect a Purchaser's obligations under the Agreement or this Plan. Sponsor's sole obligation if the net square foot area is diminished by more than 5% shall be to refund to Purchaser the Deposit made under the Agreement and any interest earned thereon. The number of rooms has been calculated according to a standard count used for this Building which may differ from the method used by the Division of Housing and Community Renewal. Rooms include bedrooms, kitchens and living rooms.

Sponsor has reserved the right to negotiate with individual Purchasers, other than Tenant Purchasers for whom such negotiation would constitute a discriminatory inducement, to perform special work in a Residential Unit which may require a modification in floor plans for certain Units. Any such modification requiring a material change in the Common Elements will only be made by a duly filed amendment.

Each Residential Unit will be measured on each of 1 or more floors from the midpoint of the exterior walls, at the Building line and/or Property line, to the midpoint of the interior walls and partitions separating a Residential Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements or Residential Common Elements or Residential Limited Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Residential Unit) are not deducted from the square foot area of the Residential Units. Measured vertically, each Residential Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the slab above. Certain Residential Units may have less clearance and certain rooms within other Residential Units may have a lesser clearance as a result of the presence of beams and/or other mechanical spaces in such Residential Units. However, any Common Elements or Residential Common Elements or

Residential Limited Common Elements located within a Residential Unit (including any structural slabs separating floors of a Residential Unit located on more than 1 floor) shall not be considered a part of such Residential Unit. As is customary in New York, these square foot areas exceed the usable floor area of each Residential Unit. Since the measurements of a Residential Unit are not taken from interior surfaces of interior walls, the actual useable floor area comprising a Residential Unit may be significantly less than the area listed in Schedule A.

Each prospective Purchaser should carefully inspect the Residential Unit (or a similar Residential Unit) prior to entering into the Agreement therefor to determine its actual dimensions, layout, ceiling heights and physical condition. Purchasers are advised that Sponsor has reserved the right to negotiate with individual purchasers to perform special work which may require a modification in floor plans for certain Residential Units and accordingly, the layout of the Residential Units and Common Elements or Residential Common Elements may vary. Reference should be made to the Sections entitled "Rights of Existing Tenants" and "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants." Certain of the Residential Units are subject to the Rent Laws as noted in Schedule A.

3. Each Tenant Purchaser has the exclusive right to purchase such Tenant Purchaser's Residential Unit for a period of 90 days from the Presentation Date of this Plan at the prices set forth on Schedule A for Tenant Purchasers. These purchase prices are approximately 15% less than the prices currently offered to Non-Tenant Purchasers. See the Section entitled "Changes in Prices and Residential Units" for details concerning price changes. 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 this Plan including, without limitation, the obligation to contribute 2 months' common charges to the working capital fund of the Condominium. Purchasers are advised to consult with their attorneys as to the exact closing costs they will incur in purchasing their Residential Units.

THESE PRICES 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. No change will be made in the purchase prices other than pursuant to a duly filed amendment to this 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 this Plan at any time during the offering period if such a decrease in the purchase price or modification of such other terms of sale is not a general offering or an advertised price but is rather the result of an individually negotiated transaction and provided further that no individually negotiated transactions shall occur with Tenant Purchasers if same would constitute a discriminatory inducement.

4. The respective Common Interest of each Residential Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the 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 Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. In the event that, prior to the First Closing, Sponsor negotiates with individual purchasers to change the layout or dimensions of their respective Residential Units and such changes involves the inclusion, in the Residential Unit, of areas formerly designated as Common Elements, Residential Common Elements or Residential Limited Common Elements or involves adding to the Common Elements, Residential Common Elements or Residential Limited Common Elements space that was previously incorporated in the Residential Units, the Common Interest of all of the Residential Units may change slightly. Any such change in the Common Interest allocated to a Residential

Unit 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 estimates contained in this Schedule A were computed on the assumption that the first year of Condominium operation will be the year from July 1, 2018 through June 31, 2019 and are based upon an estimate of the receipts and expenses of the Condominium for the projected year. Sponsor makes no representation regarding the commencement date or the estimated receipts and expenses for the first year of Condominium operation which may be greater than or less than the estimated figures set forth in the proposed budget. The actual first year of Condominium operation may be earlier or later than such year. If the actual or anticipated date of commencement of condominium operation is delayed by more than 6 months from the commencement of the projected first year of Condominium operation, Sponsor will amend this Plan to include a revised budget disclosing current projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind if they notify Sponsor in writing within 15 days after the presentation of the amendment disclosing the revised Projected Budget and be refunded the full Deposit (with interest earned thereon, if any) within 30 days after notification to Sponsor. Sponsor may not declare this Plan effective where there are material changes to the Projected Budget for the projected first year of operation if the changes have not been disclosed in a duly filed amendment to this Plan.

The estimated monthly Common Charges for each Residential Unit are based on "Schedule B – Projected Budget for First Year of Condominium Operation." 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 and gas supplied to the Residential Unit which will be separately metered and payable directly to the utility company, the insurance which must be carried by each Residential Unit Owner with respect to liability and casualty to the contents of the Residential Unit and the cost of interior repairs and decorations to the Residential Unit. Until the Residential Units are separately assessed, real estate taxes shall be part of Common Expenses, as provided in the By-Laws.

6. The New York City real estate taxes for the Units for the first year of Condominium operation following the First Closing, which have been estimated by Sponsor to be approximately \$193,225 (Residential Units and Commercial Unit) are based upon (i) an estimated transitional assessed valuation of the Property (inclusive of the Commercial Unit) of \$1,519,180 for the first year of Condominium operation, commencing July 1, 2018, with any increases in the Property's assessed valuation from prior years phased in over 5 years in equal annual increments of 20% and (ii) a tax rate of \$12.7190 per \$100 of assessed valuation for the Units. The estimated tax rate for the first year of operation assuming commencement on or about July 1, 2018 does not assume any increase in the current tax rate.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Department of the City of New York. Under current Law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of assessed value reflecting the phased-in increases or decreases is called the "transitional assessed valuation." Taxes are paid on the lower of the Transitional Assessed Valuation or the

Actual Assessed Valuation. The assessed valuations and tax rates for the 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 tax years are as follows:

Tax Year	2014/15	2015/16	2016/17	2017/18	2018/19 (Estimate)
Transitional Assessment	\$1,183,050	\$1,292,400	\$1,411,380	\$1,468,330	\$1,519,180
Actual Assessment	\$1,289,250	\$1,478,250	\$1,619,550	\$1,631,700	\$1,631,700
Taxes Based On	\$1,183,050	\$1,292,400	\$1,411,380	\$1,468,330	\$1,519,180
Tax Rate Per \$100	12.8550	12.8550	12.8920	12.7190	12.7190
Taxes Payable	\$152,081	\$166,138	\$181,956	\$186,757	\$193,225

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the 5 year phase-in period, (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership, (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property. A Purchaser purchasing a Residential Unit after the projected first year of Condominium operation should check the public tax records to confirm the then current taxes for the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interests exceed the total valuation of the Property were the Property assessed as 1 parcel.

The New York City tax assessor may allocate taxes between the Residential Units in proportion to each Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, Residential Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes than are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Residential Units. Until the Residential Units are separately assessed, the Board will pay all real estate taxes with respect to the Property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of this Plan entitled "Real Estate Taxes" for further discussion.

The Property is not subject to J-51 benefits.

Please refer to the Section of this Plan entitled "Real Estate Taxes" in Part I of this Plan for further details.

The aggregate monthly rents payable from tenants of all occupied units as of December 12, 2017 was \$72,616.43.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (I) REGARDING THE METHOD TO BE EMPLOYED BY

THE NEW YORK CITY TAX ASSESSOR IN ALLOCATING INDIVIDUAL UNIT ASSESSMENTS, (II) OF THE ASSESSED VALUES OF THE CONDOMINIUM DURING THE FIRST YEAR OF CONDOMINIUM OPERATION, OR (III) OF THE TAX RATES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION. PURCHASERS SHOULD NOTE THAT GIVEN THE CURRENT FISCAL SITUATION IN THE CITY OF NEW YORK, REAL ESTATE TAXES MAY HAVE TO INCREASE SIGNIFICANTLY. SPONSOR MAKES NO REPRESENTATIONS REGARDING LEVELS OF ASSESSMENT OR TAXATION IN FUTURE YEARS.

See Attorney's Income Tax Opinion prepared by Pryor Cashman LLP, set forth in Part I of this Plan, regarding the deductibility of real estate taxes paid or accrued with respect to a Residential Unit.

Purchasers may be able to deduct for income tax purposes a portion of real estate taxes as well as interest on their mortgage. Tax deductions may vary in future years due to changes in the interest rate on a Residential Unit Owner's mortgage (if any), or due to changes in the allocation of constant debt service payments to interest and principal, or due to changes in real property taxes resulting from the expiration of real estate tax benefits, or from changes in the assessed value, the tax rate or the method of assessing real property.

SCHEDULE B
PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

The Crown12 Condominium
(Assuming July 1, 2018 – June 30, 2019)

PROJECTED INCOME:

	Residential	Commercial	Total
Common Charges (Note 1)	\$469,140	\$4,560	\$473,700
Laundry Income (Note 2)	1,800		1,800
TOTAL PROJECTED INCOME (Note 3)	\$470,940	\$4,560	\$475,500

PROJECTED EXPENSES:

Labor (Note 4)	\$90,500		\$90,500
Heating (Note 5)	47,040	960	48,000
Utilities (Electricity & Laundry Electricity) (Note 6)	20,000		20,000
Water charges and Sewer Rents (Note 7)	91,140	1,860	93,000
Repairs, Maintenance and Supplies (Note 8)	56,000		56,000
Service Contracts (Note 9)	18,000		18,000
Insurance (Note 10)	38,220	780	39,000
Management Fees (Note 11)	42,140	860	43,000
Auditing Fees (Note 12)	4,900	100	5,000
Legal Fees (Note 13)	5,000		5,000
Contingency Fund (Note 14)	48,000		48,000
Other Expenses (Note 15)	10,000		10,000
TOTAL PROJECTED EXPENSES (Note 16)	\$470,940	\$4,560	\$475,500

If the actual or anticipated date of commencement of condominium operation is delayed by more than 6 months from the commencement of the projected first year of Condominium operation, this Plan will be amended to include a revised Projected Budget disclosing the then current projections. If such amended projections exceed the original projections by 25% or more, Sponsor will offer all Purchasers the right to rescind if they notify Sponsor in writing within 15 days after the presentation of the amendment disclosing the revised Projected Budget and be refunded the full Deposit (with interest earned thereon, if any) within 30 days after notification to Sponsor. Sponsor may not declare this Plan effective where there are material changes to the Projected Budget for the projected first year of operation if the changes have not been disclosed in a duly filed amendment to this Plan. See "Procedure to Purchase."

FOOTNOTES TO SCHEDULE B

1. *Common Charges (Budget - \$473,700)*

Annual Common Charges, are projected on the assumption that the first year of Condominium operation will begin on or about July 1, 2018. The actual first year of operation may be earlier or later than that date.

2. *Laundry Income (Budget - \$1,800)*

In the event that a laundry facility is created, it will consist of 4 card-operated washers and 4 card-operated commercial dryers and all equipment will be installed in the existing space. No walls/doors are anticipated to be removed/added. Hot and cold water supply would be extended from the adjacent boiler room through the ceiling. New waste connection would be added below ground to the existing waste riser in the laundry room. Dryer exhaust pipes would be connected to the existing window on the north end of the wall through a new louver. Use of the laundry room would be restricted to residents of the Building.

In the event that Sponsor does install a laundry room, the Condominium will enter into a 25 year concession agreement for the laundry room with Sponsor or an affiliate of Sponsor. Sponsor will provide a Tenant Protection Plan to tenants prior to commencing construction to create a laundry room in the cellar. The concession agreement with Sponsor or an affiliate of Sponsor may prevent the Condominium from negotiating a concession agreement with another vendor and possibly receiving a higher annual rental amount. The initial annual rent shall be \$1,800. The laundry room will be a part of the Residential Common Elements and will only be for the use of residents of the Building. The Condominium will provide at its cost all necessary utilities, including but not limited to gas, electricity, water and sewer. It is anticipated that the expense to the Condominium for the foregoing shall not exceed the rent payable. The annual rent shall increase by \$50 per month on the 5th, 10th, 15th and 20th anniversary of the lease commencement date. Notwithstanding the foregoing, within 90 days of the end of each year, the Condominium shall have the right to furnish Sponsor with a written statement in reasonable detail of the actual utility costs for the usage of the laundry room for the preceding year. If the actual utility costs for the laundry room for such year exceed the aggregate of Sponsor's rent payments for said year, Sponsor shall pay the Condominium any deficiency due within 20 days after receipt of said statement, so that Sponsor's actual payment for such year shall equal 110% of the prior year's actual utility costs for the usage of the laundry room.

Reference should be made to the agreement with the Concessionaire for further details. A copy of the agreement is available for inspection during normal business hours at the office of the Selling Agent, Keller Williams NYC, 1155 Avenue of the Americas, 6th Fl, New York, New York 10036.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 U.S.C. 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by sponsor or sponsor affiliate within 2 years after the date that sponsor or sponsor affiliate ceases to control the board or owns 25% or less of the units in the project, whichever occurs first. A "self-dealing" contract is defined under the Act as any contract or portion thereof which is entered into after October 8, 1980, which: (i) provides for operation, maintenance or management of a condominium association in a conversion project, or of property serving the condominium unit owners in such project; (ii) is between such unit owners or such association and sponsor or an affiliate of sponsor; (iii) was entered into while such association was controlled by sponsor during sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3

years, including any automatic renewal provisions which are exercisable at the sole option of sponsor or an affiliate of the sponsor; and (v) may not be terminated without penalty by such unit owners or such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

3. *Total Projected Income (Budget - \$475,500)*

This budget item does not include any interest income that may be received by the Condominium from investment of the Working Capital Fund to be retained at title closing or the Condominium's Reserve Fund. It is expected that all or part of the Working Capital Fund and Reserve Fund will be expended during the first or subsequent years of operation. Accordingly, interest income cannot be determined with exactitude, may be inconsequential and has not been included in the projected receipts for the first year of condominium operation.

4. *Labor (Budget - \$90,500)*

The Superintendent will continue to reside in Apartment A1.

Presently, the building staff consists of 1 Superintendent and 1 Porter. After the First Closing, the building staff will continue to consist of 1 Superintendent and 1 Porter, whose responsibilities will include, but are not limited to, keeping the public areas (such as the hallways) cleaned and removal of garbage from the Property.

The annual wage rates projected to be in effect as of July 1, 2018 for the Superintendent and Porter are \$32,000 and \$26,000, respectfully. The Building is non-union. The wages meet New York State minimum wage laws.

The projected wages, benefits and payroll related expenses for the building staff are as follows:

Wages	\$58,000
Benefits (vacation, sick pay and holiday pay)	5,600
F.I.C.A.	4,900
Federal and State Unemployment.....	880
Disability	720
Workers' Compensation.....	3,500
Union Welfare, Pension, Legal Fund and Security Fund	10,600
Employee's Utilities	4,600

Other (including telephone)	1,700
	\$90,500

The budgeted item includes the cost of the superintendent's utilities.

The budgeted item for electricity is based on 16,285 KWH (in 100 cubic feet), the average consumption of electricity in the 2014, 2015 and 2016 calendar years, billed at \$0.2771 per KWH, the estimated 2017 rate, determined by the average of the rates (including sales tax) applied in the utility bills for the 2016 calendar year (\$0.25749), plus annual rate increases of 5% in 2018 and 2019. The budgeted rate for the 2018 fiscal year is the average of the forecasted 2018 and 2019 rates.

The cost and consumption of electricity for the past 3 calendar years were as follows:

Calendar Year	Consumption of Electricity (in KWH)	Cost Per KWH (Including Sales Tax)	Total Cost (Including Sales Tax)
2014	16,306	\$ 0.31218	\$ 5,090.46
2015	17,049	\$ 0.27995	\$ 4,772.95
2016	15,499	\$ 0.25749	\$ 3,990.86

5. *Heating (Gas) (Budget - \$48,000)*

The budgeted item for heating gas is based on 61,308 therms (determined by the average annual consumption during the years 2014, 2015 and 2016) billed at \$0.7864 per therm (including sales tax). The budgeted rate of \$0.7864 is determined by the estimated 2017 rate of \$0.7307 (the average of the rates applied in the utility bills for the 2014, 2015 and 2016 calendar years) plus an annual rate increase of 5% for the years 2018 and 2019. The 2018/2019 estimate is based on the average of the forecasted 2018 and 2019 rates.

The cost and consumption of heating gas for the past 3 calendar years were as follows:

Calendar Year	Consumption of Gas in therms	Average Rate (in therms)	Total Cost (Including Sales Tax)
2014	67,151	\$0.9206	\$61,817.42
2015	60,319	\$0.8738	\$52,705.62
2016	56,454	\$0.3976	\$22,446.03

In view of the current energy situation, it is not possible to predict whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation, which will vary with the level of consumption and the gas rate. Consumption will be affected by the severity of the weather and conservation measures (such as staggering hours of heating, lowering the temperature of the hot water, etc.) if any, adopted by the Board. The cost of gas in recent years has been highly volatile and unpredictable and may increase in the near future.

The Commercial Unit Owner will pay 2% of the budgeted cost of the heating fees.

It is believed that the budgeted figure should be sufficient to cover any reasonable increases in the costs of gas during the first year of Condominium operation. However, no budgeted item is warranted.

6. *Utilities (Electricity & Laundry Electricity) (Budget - \$20,000)*

The budgeted item includes the cost of electricity for outdoor lighting and public areas of the Building. The budgeted item also includes the cost of electricity for the laundry room, in the event that a laundry room is created.

The budgeted item is based on the average consumption of electricity for the years 2014, 2015 and 2016 of 84,774 KWH (in 100 cubic feet). The budget uses the average of the rate applied in the utility bills for the 2015 calendar year (\$0.1991), plus an annual rate increase of 5% for the years 2017, 2018 and 2019. The 2018/2019 budgeted rate (\$0.2250) is the average of the forecasted 2018 and 2019 rates.

The cost and consumption of electricity for the past 3 calendar years were as follows:

Calendar Year	Consumption of Electricity (in KWH)	Cost Per KWH (Including Sales Tax)	Total Cost (Including Sales Tax)
2014	83,610	\$ 0.25115	\$ 20,998.80
2015	88,452	\$ 0.19910	\$ 17,610.93
2016	82,260	\$ 0.17755	\$ 14,604.91

The budgeted item for gas is based on 284 therms (determined by the average annual consumption during 2014, 2015 and 2016). The budget for gas is based upon the average of the rates applied in the utility bills for the 2016 calendar year (\$1.7655), plus an annual rate increase of 5% for the years 2017, 2018 and 2019. The 2018/2019 budgeted rate (\$1.9951) is the average of the forecasted 2018 and 2019 rates.

The cost and consumption of gas for the past 3 calendar years were as follows:

Calendar Year	Consumption of Gas in therms	Average Rate (in therms)	Total Cost (Including Sales Tax)
2014	294	\$1.6738	\$492.10
2015	331	\$1.4626	\$484.13
2016	227	\$1.7655	\$400.76

It is difficult to ascertain whether the budgeted figure will reflect the actual cost to be incurred during the first year of Condominium operation which will vary with the level of consumption and the cost of electricity.

It is believed that the budgeted figure should be sufficient to cover any reasonable increases in the cost of electricity resulting from the foregoing during the first year of Condominium operation. However, no budgeted item is warranted.

7. *Water Charges and Sewer Rents (Budget - \$93,000)*

The Building is currently billed an annual charge based on frontage for water charges and sewer rents. The budgeted amount is based on charges of \$87,202.99 for the fiscal year beginning 7/2016 plus annual increases in 2017 and 2018 of 3% (the average increase of water charges for the past 3 fiscal years).

The Commercial Unit Owner will pay 2% of the budgeted cost of water and sewer rents.

The water charges and sewer rents for the 4 prior fiscal years were as follows:

<u>Fiscal Year</u>	<u>Cost (Frontage)</u>
July 1, 2013/June 30, 2014	\$ 80,257.84
July 1, 2014/June 30, 2015	\$ 82,945.87
July 1, 2015/June 30, 2016	\$ 85,409.39
July 1, 2016/June 30, 2017	\$ 87,202.99

8. *Repairs, Maintenance and Supplies (Budget - \$56,000)*

The budgeted figure for these items is based on normal maintenance and repairs of, for example, the roof, exterior walls, foundations, heating system, plumbing and electrical systems and other common areas for which the Condominium is responsible. The budgeted item includes various supplies (such as cleaning supplies and materials, lubricants, bulbs, public area fixtures, general and hardware supplies) and periodic painting of public halls and common areas on a rotating basis, but excludes the building services described below in footnote 9 of Schedule B entitled "Service Contracts." The budgeted item also includes costs attributable to the maintenance of the Superintendent's Unit. Unit Owners, however, will be responsible for the cost of interior repairs in, and decoration and painting of, their respective Units, including appliances.

The budgeted figure assumes the following:

<u>Category</u>	<u>Budgeted Amount</u>
Janitor Supplies	\$ 18,000
Elevator Inspection	\$ 8,500
Plumbing	\$ 12,750
Electrical	\$ 12,750
Other	\$ 4,000

9. *Service Contracts (Budget - \$18,000)*

The budgeted figure allows for the following service and maintenance contracts (inclusive of sales tax):

<u>Contractor</u>	<u>Nature of Service</u>	<u>Monthly Payment</u>	<u>Expiration Date</u>
Sentry Elevator Corp.	Elevator Maintenance	\$600.18	Month-to-Month
JB Pest Control, LLC.	Exterminating	\$270.07	Month-to-Month

Secure Watch 24	Security	\$492.45	Month-to-Month
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Secure Watch 24 currently provides the Building with video surveillance and certain security services. Joel Wiener, an investor in Secure Watch 24, is also a Principal of Sponsor.

10. *Insurance (Budget - \$39,000)*

The following insurance is recommended for the Property for the first year of Condominium operation in a letter dated May 5, 2017 from I. Dachs & Sons, Inc., 1245 West Broadway, PO Box 338, Hewlett, NY 11557:

Commercial Property Coverage

Perils Insured:	Special Form
Valuation:	Replacement Cost
Co-Insurance:	Agreed Amount
AOP Deductible:	\$10,000

Coverages:

Building:	\$ 18,919,000
Business Income:	\$ 775,000

The proposed coverages include Replacement Cost Valuation on the Building, as well as the Agreed Amount provision which eliminates co-insurance

Additional Coverages:

BI – Rents/Common Charges:	Extend Period of Indemnity – 365 days
Boiler & Machinery:	Included
Flood/Water Backup:	Included
Ordinance or Law:	
Coverage A:	Included
ICC & Demolition:	\$5,000,000 Each

Total Policy Premium:	\$19,694.00
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Commercial General Liability (Occurrence Form):

\$2,000,000	General Aggregate
\$1,000,000	Each Occurrence
\$1,000,000	Personal & Advertising Injury
\$1,000,000	Fire Damage Legal Liability
\$ 5,000	Medical Payments
\$1,000,000	Employee Benefits Liability
\$1,000,000	Non-owned & Hired Auto Liability

Includes Elevator Liability/Collision Coverage

Deductible:	None	Total Policy Premium:	\$12,040
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Commercial Umbrella Policy:

Limit: \$100,000,000	Total Policy Premium:	\$3,500
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Directors & Officers Liability Policy:

Limit: \$1,000,000	Total Policy Premium:	\$2,200
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Crime Insurance Policy:

Limit: \$1,000,000	Total Policy Premium:	\$1,800
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In recent years, premiums for insurance (especially fire and liability) have increased substantially. It is not possible to predict whether premiums will escalate in the future or will level off. Although the projection is believed to be reasonable, no budgeted item is warranted. At the First Closing, Sponsor will deliver (at the Condominium's expense) a fire and liability binder or policy providing insurance coverage in amounts no less than shown on the foregoing schedule.

The Commercial Unit Owner will pay 2% of the budgeted cost of the insurance premium.

The fire, casualty and general liability insurance policy will be on terms that provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board; (3) a waiver of subrogation; (4) a waiver of any defense based on co-insurance; (5) a waiver of invalidity because of the acts of the insured and Unit Owners; and (6) a waiver of pro-rata reduction if Unit Owners obtain additional coverage and shall provide that such policies may not lapse, be canceled or substantially modified without at least 10 days' prior written notice to all of the insured.

This coverage does not include claims for personal injury or property damage resulting from occurrences in Units, nor does it include coverage of the furniture or personal property of Unit Owners. Therefore, each Unit Owner must obtain additional insurance, at his or her own cost, covering among other items (i) fire or casualty losses to the contents of his or her Unit and any replacements, additions, upgraded fixtures and improvements therein, (ii) personal property, and (iii) liability for personal injury as a result of occurrences in the individual Unit.

11. Management Fees (Budget - \$43,000)

At the First Closing, the Condominium will enter into a Management Agreement with Pinnacle Managing Co., LLC (the "Managing Agent"), One Penn Plaza, Suite 4000, New York, New York 10119 at an annual fee of \$43,000. The Commercial Unit Owner will pay 2% of the budgeted cost of the management fee. The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. In the event a new managing agent is substituted for the Managing Agent, the annual fee will be an amount as mutually agreed upon between the Board and the new managing agent. The Managing Agent will work in the best interest of the Condominium and the Unit Owners.

The initial term of the Management Agreement shall commence on the date of the First Unit Closing and shall expire, unless terminated sooner, on the third anniversary of said date. The Management Agreement shall be automatically extended for successive 12 month periods, unless written notice of non-

renewal by the Board is delivered to Managing Agent at least 90 days prior to the expiration of the initial term or any successive term. The Board, at its option, may terminate the Management Agreement at any time by giving written notice thereof to Managing Agent, for: (i) fraud, misrepresentation, misappropriation of funds, furnishing any statement, report, notice writing or schedule the party knows to be untrue or misleading in any material respect on the date as of which the facts set forth therein are state or certified, (ii) the failure of Managing Agent to comply with any term or condition of the Management Agreement, that although not included in subsection (i) above, has a material adverse effect on the Property, (iii) the bankruptcy or insolvency of, the assignment for the benefit of creditors, by or the appointment of a receiver for any property of Managing Agent which is not dismissed in sixty (60) days, and (iv) an intentional or grossly negligent or illegal act committed by Managing Agent against the Board.

The Managing Agent shall be entitled to receive fees from Residential Unit Owners (other than Sponsor and/or its designees and assignees) who sell or lease their Residential Units. In connection with processing, reviewing and coordinating applications for waivers of the Board's right of first refusal under the By-Laws in connection with proposed sales and/or leasing of Residential Units by Residential Unit Owners, Managing Agent shall be entitled to receive a reasonable fee from the selling or leasing Residential Unit Owner for each such service not to exceed \$500.00 per Residential Unit for a proposed lease and \$750.00 per Residential Unit for a proposed sale, as well as to reimbursement therefrom for all out-of-pocket expenses incurred by Managing Agent in connection therewith (including, for purposes of example, the expense of obtaining credit and other similar reports concerning proposed purchasers and tenants). The Board shall cooperate with the Managing Agent in collecting these fees as and when due to Managing Agent from the Residential Unit Owners.

Joel Wiener, a principal in the Managing Agent, is also a principal of Sponsor. Sponsor has disclosed all agreements between the Condominium and Sponsor, Sponsor affiliates or principals of the Sponsor. Reference should be made to the section of this Plan entitled "Management Agreement" for details of these and other important features of the Management Agreement.

12. Auditing Fees (Budget - \$5,000)

The budgeted item will be used for auditing fees in connection with the preparation of the Condominium's first year's audited financial statements and its Federal, State and City income tax returns, based on a fee of approximately \$5,000, provided by DDK & Company LLP, CPA. The Commercial Unit Owner will pay 2% of the budgeted cost of the auditing fees.

13. Legal Fees (Budget - \$5,000)

The budgeted item will be used for miscellaneous (but not major) legal services, in the event the Board decides to engage an attorney. The Board of Managers will determine the law firm that will represent the Condominium in the future.

14. Contingency Fund (Budget - \$48,000)

This item is to provide a fund for possible expenses not included in the budget (including but not limited to interest on any serial notes given by the Condominium to Sponsor for payment of closing adjustments, described in the section of this Plan entitled "Working Capital Fund") or possible increases in 1 or more items of operating expense above the amounts projected, or reserve contributions for potential

capital replacements or other items. The budget may be modified from time to time prior to commencement of, or during, Condominium operation to add new items of expense or increase or decrease of 1 or more items of operating expense or reserves. The funds for such modifications may be provided by decreasing the Contingency Fund or by decreasing 1 or more items of expense, or both.

15. *Other Expenses (Budget – \$10,000)*

This item is to provide a fund for expenses such as employer association dues (if applicable), building telephone, stationary, postage, license and registration fees, municipal permits and miscellaneous expenses not provided for in other budget lines, as well as \$1,000 for franchise and corporation taxes.

16. *Total Projected Expenses (Budget - \$475,500)*

The projections set forth in this budget assume that the first year of Condominium operation will begin on or about July 1, 2018.

NOTE: At the closing, Sponsor and the Condominium will adjust items of income and expense as of midnight of the day preceding the closing. Assuming the net closing adjustments are in favor of Sponsor, same shall be paid in 12 equal, consecutive monthly installments, commencing on the first day of the 2nd calendar month subsequent to the closing, pursuant to negotiable, serial notes bearing interest at the rate of 1% over Citibank, N.A.'s "base rate" in effect on the First Closing Date. In such case, although such notes are not directly included in this budget, payment of the notes represents, in effect, payment of certain expenses reflected in this budget that have been prepaid by Sponsor.

IN THE OPINION OF THE BUDGET EXPERT, NU-PLACE REALTY, THE PROJECTED RECEIPTS ARE ADEQUATE TO MEET THE PROJECTED EXPENSES FOR THE CONDOMINIUM'S FIRST YEAR OF OPERATION, ASSUMING SUCH FIRST YEAR TO BE THE FISCAL YEAR COMMENCING JULY 1, 2018. THE FOREGOING SCHEDULE, HOWEVER, IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTEE OR WARRANTY BY ANYONE THAT THE ANNUAL RECEIPTS (INCLUDING COMMON CHARGES) OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE BUILDING BY THE CONDOMINIUM WILL BE AS SET FORTH IN SAID SCHEDULE, AND IT IS LIKELY THAT THE ACTUAL RECEIPTS AND EXPENSES WILL VARY FROM THE AMOUNTS SHOWN IN THE SCHEDULE.

IF THE ACTUAL OR ANTICIPATED DATE OF COMMENCEMENT OF CONDOMINIUM OPERATION IS DELAYED BY MORE THAN 6 MONTHS FROM THE COMMENCEMENT OF THE PROJECTED FIRST YEAR OF CONDOMINIUM OPERATION, THIS PLAN WILL BE AMENDED TO INCLUDE A REVISED PROJECTED BUDGET DISCLOSING THE THEN CURRENT PROJECTIONS. IF SUCH AMENDED PROJECTIONS EXCEED THE ORIGINAL PROJECTIONS BY 25% OR MORE, SPONSOR WILL OFFER ALL PURCHASERS THE RIGHT TO RESCIND IF THEY NOTIFY SPONSOR IN WRITING WITHIN 15 DAYS AFTER THE PRESENTATION OF THE AMENDMENT DISCLOSING THE REVISED PROJECTED BUDGET AND BE REFUNDED THE FULL DEPOSIT (WITH INTEREST EARNED THEREON, IF ANY) WITHIN 30 DAYS AFTER NOTIFICATION TO SPONSOR. SPONSOR MAY NOT DECLARE THIS PLAN EFFECTIVE WHERE THERE ARE MATERIAL CHANGES TO THE PROJECTED BUDGET FOR THE PROJECTED FIRST YEAR OF OPERATION IF THE CHANGES HAVE NOT BEEN DISCLOSED IN A DULY FILED

AMENDMENT TO THIS PLAN. SEE "PROCEDURE TO PURCHASE."

SPONSOR HAS RESERVED THE RIGHT PRIOR TO THE FIRST CLOSING DATE TO MODIFY, RENEW AND REPLACE EXISTING SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE AND OTHER AGREEMENTS AND INSURANCE POLICIES, AND TO ENTER INTO NEW AGREEMENTS AND POLICIES, THAT WILL BE BINDING ON THE CONDOMINIUM ON THE FIRST CLOSING DATE. HOWEVER, SPONSOR MAY NOT ENTER INTO ANY SERVICE, MAINTENANCE, EMPLOYMENT, CONCESSIONAIRE OR OTHER AGREEMENTS AFTER THIS PLAN IS PRESENTED THAT WILL MATERIALLY INCREASE THE PROJECTED COMMON CHARGES FOR THE FIRST YEAR OF CONDOMINIUM OPERATION OR WHICH WOULD BE BINDING ON THE CONDOMINIUM FOR MORE THAN 2 YEARS, UNLESS SUCH AGREEMENT CONTAINS A PROVISION PERMITTING THE CONDOMINIUM TO CANCEL THE AGREEMENT FROM AND AFTER THE 2ND ANNIVERSARY OF THE FIRST CLOSING UPON GIVING NOT LESS THAN 90 DAYS' PRIOR WRITTEN NOTICE. ALL NEW OR MODIFIED AGREEMENTS WILL BE DISCLOSED IN AN AMENDMENT TO THIS PLAN.

COMPLIANCE WITH REAL PROPERTY LAW SECTION 339-i



October 26, 2016

12 Realty Associates LLC
One Penn Plaza, Suite 4000
New York, NY 10119

Re: The Crown12 Condominium
12-34 Crown Street
Brooklyn, New York 11225 (the "Condominium")

Ladies / Gentlemen:

You have requested our opinion regarding the allocation of common interests to the Residential Units at the Condominium as required by NYCRR Section 23.3(aa)(5). Except where otherwise indicated, the terms used in this opinion shall have the same meaning as set forth in the Offering Plan ("Plan") for the Condominium.

In connection with rendering this opinion we have reviewed the allocation of Common Interests as shown on Schedule A of the Plan and the Declaration establishing the Condominium. We have also considered the relevant sections of the New York State Condominium Act and such other materials as we deemed relevant. Our opinion is based upon the factual determinations made by Keller William NYC ("KW"), as set forth in its letter dated October 10, 2016 (the "Letter") contained in the Plan, as required by NYCRR Section 23.3(i). We have made no independent investigation of the truth or accuracy of the factual determinations of KW.

KW states that in its Letter that in its opinion Common Interests were allocated pursuant to the method set forth in Real Property Law ("RPL") Section 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, including the uniqueness of the Residential Unit and the overall dimensions of the particular Residential Unit. The Commercial Unit is located on the Cellar Level, has a separate entrance and lacks the benefit of most of the Common Elements of the Condominium.

We have not reviewed or verified any calculations of floor space and do not express any opinion as to the relative value of a Residential Unit to other Residential Units, the uniqueness of a Residential Unit, the overall dimensions of a particular Residential Unit or the accuracy of the Letter. We have assumed, without independent verification or inquiry by us, that the reporting by KW is accurate and that KW is an experienced real estate broker. We express no opinion and make no judgment as to the accuracy of the aforesaid reporting or otherwise or the experience level or qualifications of KW.



Based upon the factual determinations made by KW in the Letter, but subject to the aforesaid limitations, we are of the opinion that the Common Interests and Residential Common Interests were allocated pursuant to the method set forth in RPL Section 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, including the uniqueness of the Residential Unit and the overall dimensions of the particular Residential Unit, and that the Commercial Unit is located on the Cellar Level, has a separate entrance and lacks the benefit of most of the Common Elements of the Condominium.

This opinion is confined to the matters addressed herein with respect to RPL Section 339-i and shall not be construed as an opinion on other aspects of the Plan, including, but not limited to, valid creation of a condominium, which is to be determined by a title insurer. 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, Pryor Cashman LLP, the Selling Agent, the Managing Agent or the Condominium Board be liable if there are changes in the facts on which we have relied in issuing this opinion or if there are changes in RPL Section 339 or other applicable law. We assume no obligation to update or supplement this opinion or to notify you as to any changes in rules of law or any changes in facts or circumstances that may hereafter come to our attention pertaining to the subject matter hereof, although we have advised you that you are obligated to cause a revised opinion letter to be rendered and published in an amendment to the Plan under such circumstances.

This letter is furnished to you solely for your benefit and the purchasers under the Plan. This letter may not be relied on by any other person (including, but not limited to, subsequent owners of the Residential Units).

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

Very truly yours,

PRYOR CASHMAN LLP



October 10, 2016

12 Realty Associates LLC
One Penn Plaza, Suite 4000
New York, NY 10119

Re: The Crown12 Condominium
12-34 Crown Street
Brooklyn, New York 11225 ("Property")

Ladies and Gentlemen:

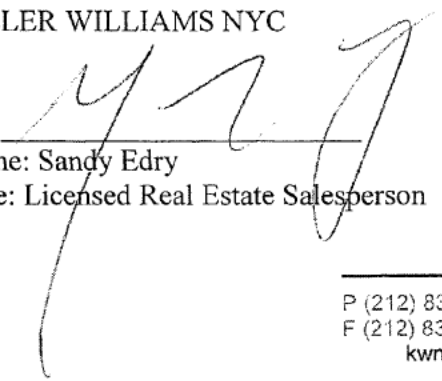
Keller Williams NYC ("KWNYC") is a real estate brokerage firm licensed in the state of New York. KWNYC has been in business for more than 4 years specializing in the sale and leasing of the New York City residential market. KWNYC has been retained as selling agent, leasing agent and/or consultant for more than 25 condominium, cooperative offerings and mixed use buildings.

We have reviewed the allocation of percentages of common interest contained in Schedule A of the Offering Plan for the captioned premises (the "Plan"). The Sponsor of the Plan has informed us that such allocation was made, pursuant to Section 339 – i(l)(iv) of the Real Property Law of the State of New York, based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the unit and the overall dimensions of the particular unit. In our opinion, based on the criteria set forth above, the allocation of percentages of common interest appearing in Schedule A is reasonable.

KWNYC has been retained by Sponsor to serve as Selling Agent under the Plan.

Very truly yours,

KELLER WILLIAMS NYC

By: 
Name: Sandy Edry
Title: Licensed Real Estate Salesperson

P (212) 838-3700 Keller Williams NYC
F (212) 838-1956 425 Park Avenue, 6th Floor
kwnyc.com New York, NY 10022

SPONSOR EASEMENT

Sponsor shall have, and the Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements shall be subject to, an easement to use the Common Elements, Residential Common Elements and Residential Limited Common Elements of the Building for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating and Maintaining satellite dishes and other communication equipment on the roof and Facade of the Building and elsewhere on the Common Elements, Residential Common Elements and Residential Limited Common Elements and the conduit and other Facilities relating thereto and (b) maintaining any encroachment on any Residential Unit, or any Common Elements, Residential Common Elements or Residential Limited Common Elements or elsewhere on the Property resulting from the installation, operation and Maintenance thereof; provided that access to any Residential Unit or Common Element or Residential Common Element or Residential Limited Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Residential Units for their permitted purposes. The aforementioned easements may be used by Sponsor, its assignee or licensee for its own account or the account of any designee, tenant, licensee or assignee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor, its designee, tenant, assignee or licensee for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof, the Facade or any other portion of the Common Elements, Residential Common Elements or Residential Limited Common Elements by Sponsor, its designee, tenant, assignee or licensee shall be the exclusive property of Sponsor, its designee, tenant, assignee or licensee and neither the Condominium nor any other Residential Unit Owners shall have any rights with respect thereto.

COMMERCIAL UNIT

The Commercial Unit will be retained by Sponsor and is not offered under this Plan. The Commercial Unit is comprised of space on the Cellar Level (which is currently used for a daycare center), the structural systems within the Commercial Unit, the doors, the windows (including the glass) the entrance(s), all plumbing, gas and heating fixtures, equipment, appliances, heating, ventilating and air conditioning units, heating equipment, sinks, water closets and all other facilities as may be affixed, attached or appurtenant to the Commercial Unit and serving the Commercial Unit exclusively. Sponsor and any subsequent Commercial Unit Owner shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any, to: change the use (including but not limited to residential use) or layout of, or number of spaces or rooms in the Commercial Unit; amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit; change the size of the Commercial Unit by subdividing the Commercial Unit into 2 or more separate Commercial Units or combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units and if appropriate, reapportion among the Commercial Units affected by such change in size or number their respective Common Interests, subject to the provisions of the Declaration and By-Laws.

Sponsor believes that the Common Charges payable by the Commercial Unit Owner are sufficient to cover the expenses fairly attributable to the Commercial Unit. The allocation of percentages of common interest contained in Schedule A for the Commercial Unit is based upon floor space, use of the floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, including the uniqueness of the unit and the overall dimensions of the particular unit. The Commercial Unit is in the rear of the Building accessible through a dedicated entrance, lacking the benefit of most of the Common Elements.

The Commercial Unit Owner will not pay a portion of the Common Expenses of the Condominium other than a portion of certain items expressly set forth on Schedule B – Projected Budget for the First Year of Condominium Operation in Part I of this Plan, specifically, a portion of the insurance, management fees and auditing fees pursuant to Article 6.1.5 of the By-Laws of the Condominium. The Commercial Unit Owner will be responsible for the upkeep of the Commercial Unit and all utilities servicing the Commercial Unit are separately metered to the Commercial Unit.

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 shall be effective in any way (a) without the prior written consent of Sponsor or its designee or the owner of the Commercial Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws and/or the Declaration modifying the permitted uses of the Commercial Unit or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of the Commercial Unit, or otherwise adversely affecting Sponsor or its designee or the owner of the Commercial Unit or (b) without the prior written consent of the holder of any present or future mortgage, pledge or other lien or security interest covering the Commercial Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws and/or the Declaration modifying the permitted uses of such Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Commercial Unit.

Except to the extent prohibited by Law, the Commercial Unit Owner shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions, improvements or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit; (b) change the use or layout of, or number of spaces or rooms in the Commercial Unit; (c) amend the Certificate of Occupancy for the

Building as it relates to the Commercial Unit; (d) change the size of the Commercial Unit by (w) subdividing the Commercial Unit into 2 or more separate Commercial Units, (x) combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units, (y) altering the boundary walls of 2 or more separate Commercial Units resulting from such subdivision or combination, or (z) otherwise; and (e) if appropriate, reapportion among the Commercial Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon the Commercial Unit (each of the foregoing or any combination thereof shall hereinafter be referred to as "Commercial Unit Owner Change"), when making a Commercial Unit Owner Change, a Commercial Unit Owner shall: (a) not make any physical modification to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto; (b) comply with Law; (c) agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom; and (d) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

CHANGES IN PRICES AND RESIDENTIAL UNITS

Unless it would constitute a discriminatory inducement, Sponsor reserves the right at any time and from time to time before and after the recording of the Declaration, without the consent or approval of the Selling Agent, the Managing Agent, the Board, any Residential Unit Owner or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Residential Unit, except that no such change with respect to any Residential Unit for which an Agreement is then in effect and with respect to which the Purchaser is not in default may be made without the consent of the Purchaser. If any price change is made, a Purchaser of a Residential Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Residential Units, but this will not affect any prior or subsequent sale of Residential Units not the subject of such change. However, such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of, such Residential Units. Sponsor has agreed that it will neither increase prices to be paid by Tenant Purchasers nor accept Agreements from Non-Tenant Purchasers for occupied Residential Units, during any applicable Exclusive Purchase Period. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across-the-board increase or decrease affecting 1 or more lines of Residential Units or is a price increase for an individual Purchaser. Unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a negotiated Agreement with an individual Purchaser to sell 1 or more Residential Units at prices lower than those set forth in Schedule A without filing an amendment to this Plan. The offering price to be paid by Tenant Purchasers will not increase during any applicable Exclusive Purchase Period.

Unless it constitutes a discriminatory inducement, Sponsor reserves the right to negotiate with each Purchaser the terms and conditions of the Agreement, including, but not limited to, terms and conditions pertaining to: purchase price; the amount of the Deposit; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Agreement; the availability of interim use and occupancy agreements and the amount of interim rent; and the application of rent towards the Purchase Price. 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 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 his or her Agreement.

In order to meet the possible varying demand for number and type of Residential 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 to, and without the consent of the Board, any Residential Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements and/or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate all or a part of a Residential Unit, a Common Element and/or Residential Common Elements and/or Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests and Residential Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to this Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements or Residential Common Elements directly

affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Common Interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Residential 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 Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. No material change will be made in the size or number of Residential Units or in the size or quality of the Common Elements and/or Residential Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration. Unless a Purchaser consents, no material adverse change will be made in the relevant Residential Unit's layout or percentage of Common Interest (or Residential Common Interest) if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default. No material adverse change will be made in the size or quality of the Common Elements and/or Residential Common Elements unless Purchasers not in default receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to rescind. If Purchasers timely notify Sponsor in writing of their exercising the right to rescind, Sponsor will refund the full Deposit (with interest earned thereon, if any) within 30 days after receipt of notification.

Once the Declaration is recorded, no change may be made in the number of Residential Units, nor may the size of any Residential Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid or otherwise, nor may the Common Interest of any Residential Unit be changed unless, in each such event, the Declaration and Floor Plans and this Plan are amended with the reasonable consent of each Residential Unit Owner whose Residential Unit is so changed. Sponsor will have the right to amend or to cause the 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 Residential Unit conform to the Floor Plans, a Purchaser will not be excused from purchasing the Residential Unit and will not have any claim against Sponsor as a result of any immaterial change or discrepancy.

ACCOUNTANT'S CERTIFIED STATEMENT OF OPERATIONS

12 REALTY ASSOCIATES LLC
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2016 AND 2015

12 REALTY ASSOCIATES LLC
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2016 AND 2015

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A Member Firm of KS International

INDEPENDENT AUDITORS' REPORT

The Members of
12 Realty Associates LLC

We have audited the statements of operations applicable to the property located at 12 Crown Street, Brooklyn, New York for the years ended December 31, 2016 and 2015.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

**DDK &
COMPANY** LLP
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT *(Continued)*

Opinion

In our opinion, the statements of operations referred to above presents fairly, in all material respects, the results of operations applicable to the property located at 12 Crown Street, Brooklyn, New York for the years ended December 31, 2016 and 2015, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Pursuant to the New York City Code Rules and Regulations, operating costs do not include a provision for depreciation and amortization, debt service interest, mortgage costs, or adjustment in value of assets.

We understand that a copy of this report is intended to be incorporated into an offering plan for the above premises, and we hereby consent to such incorporation.

DDK & Company LLP

New York, New York
May 11, 2017

PROPERTY LOCATED AT
12 CROWN STREET
BROOKLYN, NEW YORK
STATEMENTS OF OPERATIONS
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Rental income	\$ 954,151	\$ 1,028,702
Total income	<u>954,151</u>	<u>1,028,702</u>
Operating costs		
Labor	122,277	112,187
Heating	36,305	59,574
Utilities	19,575	22,841
Water and sewer	85,726	84,178
Repairs, maintenance, and supplies	30,452	66,413
Service contracts	21,148	15,771
Insurance	25,705	38,351
Management fees	38,166	41,148
Professional fees	27,877	17,752
Other expenses	13,742	16,266
Real estate tax	<u>174,345</u>	<u>157,394</u>
Total operating costs	<u>595,318</u>	<u>631,875</u>
Excess of income over operating costs	<u><u>\$ 358,833</u></u>	<u><u>\$ 396,827</u></u>

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

12 REALTY ASSOCIATES LLC
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

12 Realty Associates LLC (the "Company"), located at 12 Crown Street, Brooklyn, New York is a limited liability company formed in January 2006. The Company owns and operates a residential building consisting of 85 apartment units, including the resident manager's apartment.

Basis of Accounting

The Company's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and the New York City Code Rules and Regulations ("Regulations"). The Regulations describe conditions and procedures unique to the industry and illustrate the form and content of the financial statements. The Regulations require that operating costs do not include a provision for depreciation and amortization, debt service interest, mortgage costs, or adjustment in value of assets.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Base rental revenues from rental property are recognized as earned. Rental income may also include payments received in connection with lease termination agreements.

When determining the uncollectibility of its accounts receivable related to base rents, expense reimbursements, and other revenues, the Company takes several factors into consideration including the overall composition of the accounts receivable, historical bad debt levels, tenants' credit worthiness, the current economic trends and its day-to-day knowledge of specific tenants. In addition, tenants in bankruptcy and collection suits are written off based upon court judgments and historical trends; whereas, the recovery of bad debts, if any, is recognized when received. Bad debt expense is included in rental income on the statements of operations.

12 REALTY ASSOCIATES LLC
NOTES TO FINANCIAL STATEMENTS
Years Ended December 31, 2016 and 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Income Taxes

The Company is a limited liability company that has elected to be treated as a partnership for income tax purposes. No provision or liability for federal, state, or local income taxes is reflected in the financial statements because the income and losses of the Company flow through to the members.

The Company has concluded that there are no uncertain tax positions that would require recognition in the financial statements. If the Company was to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors.

Reclassification

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on the previously reported results of operations.

Subsequent Events

Management has evaluated subsequent events or transactions occurring through May 11, 2017 the date the financial statements were available to be issued.

NOTE 2 - RELATED PARTY TRANSACTIONS

During the years ended December 31, 2016 and 2015, management services were provided to the Company by a related party - Pinnacle Managing Co., LLC. Management fee expense for the years ended December 31, 2016 and 2015 totaled \$38,166 and \$41,148, respectively.

Security services are provided to the Company by an entity whose member is also a member of the Company. The security service expense for the years ended December 31, 2016 and 2015 totaled \$6,820 and \$5,359, respectively.


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December 12, 2017

12 Realty Associates LLC
One Penn Plaza, Suite 4000
New York, NY 10119

Re: The Crown12 Condominium
12-34 Crown Street, Brooklyn, New York 11225

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 City who purchase the offered Residential Units for their own residential use pursuant to the Condominium Offering Plan (the "Plan") for The Crown12 Condominium (the "Condominium"), 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 the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of any Unsold Residential Units or any Residential Unit that is used for commercial or mixed residential/commercial purposes, or (ii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units. Except where otherwise indicated, the capitalized 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.

I. Deductibility of Mortgage Interest and Real Estate Taxes

We understand that 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 Residential 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 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 used as a personal residence 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 (Part I) C.B. 300.



12 Realty Associates LLC
 December 12, 2017
 Page 2

Accordingly, based on the foregoing and subject to the next sentence, it is our opinion that, under current law, an owner of a Residential Unit who itemizes deductions and who uses his or her Residential Unit as a personal residence 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 may be in effect under Section 68 of the Code, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. 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.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

Under current law, 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. 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 current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under 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 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 and on any overall limitation on the allowance of itemized deductions.

RIGHTS OF EXISTING TENANTS

Tenant Purchasers shall have the exclusive right to purchase their respective Residential Units during the 90 day period following the Presentation Date of this Plan (the “Exclusive Purchase Period”) at the Purchase Price set forth in Schedule A, during which time the Tenant Purchaser’s Residential Unit shall not be shown or sold to a third party unless the Tenant Purchaser has, in writing, waived his or her right to purchase. In order to exercise this exclusive right to purchase, the Tenant Purchaser must deliver 5 copies of a signed Agreement and the required Deposit to Sponsor or any Selling Agent designated by Sponsor during the Exclusive Purchase Period. Sponsor has agreed that during the Exclusive Purchase Period, the Purchase Prices to be paid by Tenant Purchasers will not be increased.

The term “Tenant Purchaser” shall include: (a) a bona fide residential tenant in occupancy on the Filing Date; (b) a bona fide residential tenant with the right to renew a lease on the Filing Date; (c) a bona fide residential tenant who has the right to continued occupancy on the Filing Date; (d) a bona fide residential tenant of record with an unexpired lease on the Filing Date even though the residential tenant has sublet the Residential Unit or the Residential Unit is not the residential tenant’s primary residence; and (e) a bona fide sublessee in occupancy on the Filing Date, if such sublessee sublets from a non-bona fide residential tenant, or has obtained written permission to purchase the Residential Unit from the bona fide residential tenant of record.

The term “Tenant Purchaser” shall not include the estate or legal representative of a bona fide residential tenant who was in occupancy of a Residential Unit on the Filing Date who died on or after the Filing Date.

Generally, “free-market” leases do not provide for any renewal rights to be exercised by residential tenants. Current case law provides that unless, prior to the date an offering plan is accepted for filing, a warrant of eviction has been issued for a residential tenant who has continued in occupancy of a dwelling unit under such a “free-market” lease, such residential tenant has a right to purchase the unit even if the term of his or her lease has expired prior to the date the offering plan was accepted for filing or the “black book” date.

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

The following summary of rights of existing residential tenants is set forth in accordance with Section 352-eeee of the GBL, a copy of which is set forth in Part II of this Plan. Bona fide residential tenants in occupancy derive substantial protections under the GBL.

The term “Non-Purchasing Tenant” (as such term is defined in the GBL) means a person who has not purchased a Residential Unit pursuant to this Plan and who is a residential tenant entitled to possession at the time this Plan is declared effective or a person to whom a Residential Unit is rented by Sponsor subsequent to the effective date of this Plan. A person who sublets a Residential Unit from “a purchaser under this Plan” (as such term is defined in the GBL) shall not be deemed a Non-Purchasing Tenant.

(A) No eviction proceedings will be commenced at any time after the effective date of this Plan against Non-Purchasing Tenants for failure to purchase or any reason applicable to expiration of tenancy; provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the Residential Unit, refusal of reasonable access to the Residential Unit by the Condominium or its Managing Agent or a breach by the Non-Purchasing Tenant of his or her obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law; and provided further that an owner of a Residential Unit may not commence an action to recover possession from a Non-

Purchasing Tenant on the grounds that he or she seeks the Residential Unit for the use and occupancy of himself or herself or such Non-Purchasing Tenant's family.

(B) Non-Purchasing Tenants who reside in Residential Units subject to government regulation as to rentals and continued occupancy prior to the conversion of the Building to Condominium ownership shall continue to be subject to such regulations. Nothing contained herein shall be deemed to extend greater rights to a Non-Purchasing Tenant than such residential tenant would have had if the Building had not been converted to condominium ownership, except as otherwise provided in subparagraph (C) below.

(C) Non-Purchasing Tenants who reside in Residential Units not subject to government regulation as to rentals and continued occupancy and Non-Purchasing Tenants who reside in Residential Units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the Filing Date of this Plan, and whose leases expire and against whom holdover proceedings are commenced before the Effective Date of this Plan retain only the minimal protections available to the common law "tenant at sufferance" and ARE NOT PROTECTED from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance as found by a court of competent jurisdiction. Residential tenants who lease Unsold Units after the Effective Date of this Plan are protected from eviction and from unconscionable rent increases if they do not purchase their Residential Unit. Unconscionable increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy".

Non-Purchasing Tenants are advised that complaints of unconscionable rent increases may be referred to the New York State Department of Law, Bureau of Real Estate Financing, 120 Broadway, 23rd Floor, New York, New York 10271.

Non-Purchasing Tenants may be subject to rent increases as the result of major capital improvements ("MCI") made by Sponsor, the Board or purchasers of Residential Units occupied by such Non-Purchasing Tenants. Under current Law, Sponsor is not entitled to seek a MCI rent increase to the extent Sponsor has taken a credit against the Reserve Fund as the result of such MCI. Sponsor may take a credit against the Reserve Fund for qualifying work performed in the Building. Sponsor may perform or engage 1 or more contractors to perform qualifying work. Please refer to the Section of this Plan entitled "Reserve Fund" for further details.

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

(E) The rights granted under this Plan to "purchasers under this Plan" (as such term is defined in the GBL) and to Non-Purchasing Tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, the GBL. Please refer to the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" in Part I of this Plan for further details.

(F) All Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis. Sponsor will guarantee the obligation of the Managing Agent to provide all such services and facilities until such time as Sponsor surrenders control of the Board. Please refer to the Section entitled "Obligations of Purchasers of Residential Units Occupied By Non-Purchasing Tenants" in Part I of this Plan for further details.

(G) It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services or harassment, which substantially interferes

with, or disturbs the comfort, repose, peace or quiet of, any tenant in his or her use or occupancy of his or her Residential Unit or the facilities related thereto. The Attorney General may apply to a court of competent jurisdiction for an order restraining such conduct and, if the Attorney General deems it appropriate, an order restraining Sponsor from selling the Residential Unit or from proceeding with this Plan of conversion. Nothing contained in the GBL shall be deemed to preclude the tenant from applying on his or her own behalf for similar relief.

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

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

Non-Purchasing Tenants will receive the same services and access to facilities required by law as Residential Unit Owners on a non-discriminatory basis. Please see the Section of the Plan entitled "Obligations of Purchasers of Residential Units Occupied by Non-Purchasing Tenants".

The By-Laws provide that subsequent to the First Closing under this Plan, and for each sale or resale of a Residential Unit occupied by a Non-Purchasing Tenant, a Non-Purchasing Tenant will be promptly notified in writing by the purchaser thereof, of the name and address of the person or persons who purchased such Non-Purchasing Tenant's Residential Unit and the Board is required to make such information available to such Non-Purchasing Tenant.

If prior to the expiration of any Exclusive Purchase Period, which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and a Deposit before Sponsor amended the terms and conditions of this Plan shall benefit from the more favorable terms and conditions. An Agreement from a Tenant Purchaser executed and submitted to Sponsor during any Exclusive Purchase Period shall have priority over and pre-empt any Agreement from a Non-Tenant Purchaser. After expiration of any Exclusive Purchase Period a residential tenant shall have no greater rights than a Non-Tenant Purchaser.

In the event a Purchaser purchases a Residential Unit not occupied by such Purchaser, such purchase shall be subject to the terms and conditions of the existing lease or tenancy of the Residential Unit and subject to the rights and obligations set forth in the GBL, and the Purchaser and his or her successors shall continue to be bound as long as such lease or tenancy continues. A Tenant Purchaser will not have the right to purchase on terms obtained by a Non-Tenant Purchaser. Please refer to the Section entitled "Effective Date" for the details regarding Sponsor's obligation to post notices regarding the percentage of Tenant Purchasers and Non-Tenant Purchasers from whom Sponsor has accepted Agreements.

If a Tenant Purchaser purchases a Residential Unit, then from and after the closing of title to such Residential Unit, such Tenant Purchaser will no longer be subject to, or have any rights afforded tenants in occupancy under, the GBL. Purchasers shall not have the right to assign their Agreements. Notwithstanding the foregoing, Tenant Purchasers shall have the right to assign their Agreements 1 time to any individual, without the payment of a fee (other than a \$500 fee to Pryor Cashman LLP, counsel to the Sponsor), in accordance with Paragraph 23 of the Agreement. Both the Tenant Purchaser and the proposed assignee must execute, in quintuplicate, an Assignment and Assumption Agreement in the form contained

in Part II of this Plan, and deliver same to the Selling Agent at least 30 days prior to the Closing Date. Please refer to the Section of this Plan entitled "Assignment of Agreements."

Tenant Purchasers are not being offered the right to purchase any Residential Unit other than the Residential Unit occupied by such Tenant Purchaser on the Filing Date of this Plan. Non-Purchasing Tenants shall have no rights with respect to their Residential Units except as same may be specifically set forth above and in the GBL. Nothing contained herein shall be deemed to grant Non-Purchasing Tenants any additional rights of occupancy with respect to the Residential Units.

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

A person purchasing a Residential Unit occupied by another does so subject to: (a) the existing lease for the Residential Unit, if any (and any renewal thereof pursuant to Law or effected prior to the date on which the Purchaser's Agreement is accepted), (b) the existing occupancy of the Residential Unit, and (c) the rights of the tenant thereof, if any, under the Rent Laws and under the GBL, including the right to stay in possession of the Residential Unit pursuant to the GBL, as more fully discussed in the Section entitled "Rights of Existing Tenants." Certain of the Residential Units in the Building being offered for sale under this Plan are subject to the, the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder, as same may be amended (collectively, the "Rent Laws"), as a result of the Building being constructed prior to July 1, 1974 and containing more than 6 residential apartments. A purchaser purchasing a Residential Unit subject to the Rent Laws must register such Residential Unit with the New York State Department of Housing and Community Renewal. The status of each of the Residential Units being offered for sale as of the date of this Plan is set forth on "Schedule A - Prices of Residential Units and Related Information" in Part I of this Plan. Under the current Rent Laws, where a Residential Unit previously occupied by a Non-Purchasing Tenant is vacated and re-rented by Sponsor after consummation of this Plan, such Residential Unit is no longer subject to the Rent Laws but will be subject to any limitations set forth in the GBL regarding rent increases.

No representations or statements of any kind as to the requirements of the GBL are given, except as expressly set forth in this Plan. A prospective purchaser of an occupied Residential Unit in which he or she does not reside, or lease, is advised to consult with his or her attorney regarding the application and effect of the foregoing Laws and regulations in order to become fully apprised of his or her rights as a purchaser and his or her obligations to any existing tenant or occupant.

After consummation of the sale of a Residential Unit to a Non-Tenant Purchaser, such Non-Tenant Purchaser will own the Residential Unit subject to the lease or tenancy of the present tenant and subject to all rights, if any, afforded such tenant under the GBL and this Plan. Under the GBL, the Non-Purchasing Tenant may not be evicted at any time for failure to purchase or any reason applicable to expiration of tenancy, provided that eviction proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the Condominium or its Managing Agent or a breach by a Non-Purchasing Tenant of his or her obligations to the owner of the Residential Unit or such other grounds for eviction as may then be permitted by Law. In addition, no eviction proceedings may be commenced against a Non-Purchasing Tenant on the grounds that the Non-Tenant Purchaser seeks the Residential Unit for the use and occupancy of himself or herself or such Non-Tenant Purchaser's family. Upon the Non-Tenant Purchaser vacating the Residential Unit the Residential Unit will no longer be subject to the Rent Laws.

If a Non-Tenant Purchaser acquires a Residential Unit occupied by another, then on the Closing Date of such Residential Unit, the Non-Tenant Purchaser will become the landlord of such Residential Unit's tenant and the latter will become the Non-Tenant Purchaser's tenant. Such Non-Tenant Purchaser will be required under the Agreement executed by him or her to pay the Common Charges, taxes or other assessments charged against the Residential Unit by the Board, regardless of whether such Common Charges, taxes and other assessments are greater or less than the rent payable by the tenant or occupant, and regardless of whether the rent is received. In addition, such Non-Tenant Purchaser will be solely responsible for any litigation costs, fees and dues related to the tenancy as well as the performance of all obligations of the landlord under the lease with the tenant or occupant, including, without limitation, the obligation to Maintain plumbing fixtures, doors, hardware, flooring, refrigerator, range, dishwasher,

lighting fixtures and other equipment, if any, which are included in the Residential Unit or are the obligation of the Residential Unit Owner to maintain, and which are not owned by the tenant or occupant, and to paint the Residential Unit, as provided in the Agreement or applicable Law. The Non-Tenant Purchaser will be obligated to give the Non-Purchasing Tenant such renewal leases and riders as may be required under applicable Law, including the Rent Laws and the GBL, and may only evict the Non-Purchasing Tenant on grounds permitted by Law, as more particularly described in the Section entitled "Rights of Existing Tenants" in Part I of this Plan.

Each Agreement will contain a provision whereby the Non-Tenant Purchaser of a Residential Unit occupied by another irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Board) as his or her agent, coupled with an interest, to provide, for the account and at the expense of the Non-Tenant Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the relevant Residential Unit until such time as said right to occupy terminates. In addition, each Non-Tenant Purchaser of a Residential Unit occupied by another agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, an amount equal to not less than the greater of (i) 2 months' Common Charges or (ii) 2 months' rent for such Residential Unit to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a 30 day period. In the event the Residential Unit Owner fails to so replenish such fund, the Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with the By-Laws. Sponsor shall guarantee the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Board. Each Non-Tenant Purchaser of a Residential Unit occupied by another will be required to indemnify Sponsor for all costs expended by Sponsor on such Non-Tenant Purchaser's behalf. The foregoing obligations of a Non-Tenant Purchaser do not apply to Sponsor.

Upon each resale of a Residential Unit occupied by another, the Managing Agent shall notify the Non-Purchasing Tenant thereof in writing within 10 days following the change in ownership of the name and address of the new Non-Tenant Purchaser.

No representation is made or warranty given as to whether the GBL or the Rent Laws will continue to apply to any Residential Unit in the Building or whether there will be any future amendments to any such laws. Nothing contained herein shall be deemed to prevent Sponsor or the purchaser of a Residential Unit occupied by Non-Purchasing Tenants from enjoying the benefits of any amendment to the Rent Laws or any court ruling which may be deemed to benefit Sponsor.

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

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

INTERIM USE AND OCCUPANCY AGREEMENTS

Sponsor is reserving the unconditional right to rent rather than sell Residential Units. Since Sponsor is retaining the unconditional right to rent rather than sell Residential Units, this Plan may not result in the creation of a condominium in which a majority of the Residential Units are owned by owner-occupants or investors unrelated to Sponsor.

Sponsor reserves the right, freely and without restriction, to rent or license vacant Residential Units, to Purchasers and non-purchasers at any time, both before and after the First Closing. However, once a Purchase Agreement is signed for a vacant Residential Unit, and for so long as such Purchase Agreement is in effect, such Residential Unit may only be rented or licensed to the Purchaser thereof. Such agreement (an "Interim Use and Occupancy Agreement") will be for such rent or use and occupancy fee, and upon such other terms as may be mutually agreed upon. The term of such Interim Use and Occupancy Agreement shall be for a period which will expire on the earlier of the date of the closing of such Residential Unit or the expiration date in the Interim Use and Occupancy Agreement. In the event this Plan is abandoned, the Purchaser may, at any time at his or her sole option, cancel the Interim Use and Occupancy Agreement and remove from the Building upon 30 days' prior written notice to the Sponsor at the address set forth on the cover page of this Plan. Should Purchaser rescind his or her Purchase Agreement pursuant to any permitted rescission, the Interim Use and Occupancy Agreement shall terminate 30 days thereafter and Purchaser shall be obligated to vacate the Residential Unit no later than that time. In the event that this Plan is abandoned and Sponsor leases a vacant Residential Unit, such vacant Residential Unit shall be subject to the, the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law and Code, the Rent Regulation Reform Act of 1993 and 1997 ("RRRA") and the rent regulatory scheme or any codes, rules and regulations promulgated thereunder as same may be amended (collectively, the "Rent Laws") and the rent will not exceed the maximum legally collectible rent.

Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim Use and Occupancy Agreement. Such legal fees are estimated to be approximately \$2,000 assuming that the Purchaser's counsel does not negotiate the terms of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the Closing to the Residential Unit.

An Interim Use and Occupancy Agreement entered into with a Purchaser will provide that an uncured default by the Purchaser under the Agreement will constitute a default under the Interim Use and Occupancy Agreement, entitling Sponsor, at its sole option, to terminate the Interim Use and Occupancy Agreement. The Agreement contains a similar cross-default provision entitling Sponsor to cancel the Agreement in the event that the Purchaser fails to cure a default under the Interim Use and Occupancy Agreement within any applicable grace period. However, before Sponsor may utilize a default under the Interim Use and Occupancy Agreement to declare a default under the Agreement, Sponsor must (i) obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the interim occupant or (ii) the interim occupant must have vacated the Residential Unit. The interim occupant must vacate the Residential Unit within 30 days after Sponsor gives written notice of a default and makes a demand for payment, Sponsor may, at its option, cancel the Agreement and retain the Deposit made by Purchaser.

Sponsor's right to rent or license any Unsold Residential Unit will not be subject to any right of first refusal in favor of the Condominium Board to lease such Residential Unit from Sponsor or its designee on the same terms offered to the prospective occupant.

PROCEDURE TO PURCHASE

Any prospective purchaser who executes an Agreement and does not obtain financing may lose his or her deposit if he or she is unable to 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 Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

A person desiring to purchase a Residential Unit will be required to execute an Agreement in quintuplicate, which will be substantially in the form set forth in Part II of this Plan.

Tenant Purchasers will be afforded not less than 3 business days to review this Plan and all filed amendments prior to executing an Agreement unless fewer than 3 business days remain in the statutory time period to declare this Plan effective. Sponsor must accept an Agreement from a Tenant Purchaser who submits a signed Agreement and a check for the Deposit to Sponsor or the Selling Agent designated by Sponsor during the time within which the Tenant Purchaser has the exclusive right to purchase his or her Residential Unit under this Plan. Such Tenant Purchaser will receive a fully executed counterpart of his or her Agreement from Sponsor or the Selling Agent.

Non-Tenant Purchasers will be afforded not less than 3 business days to review this Plan and all filed amendments prior to executing an Agreement unless fewer than 3 business days remain in the statutory time period to declare this Plan effective. If a Non-Tenant Purchaser has not been afforded at least 3 business days prior to executing an Agreement, such Purchaser will have 7 days after delivering an executed Agreement together with the Deposit to rescind the Agreement and have the Deposit refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Selling Agent within the 7 day period or mail the notice of rescission to Sponsor or the Selling Agent and have the mailing post-marked within the 7 day period.

If the Agreement does not pertain to the Tenant Purchaser's Residential Unit or is submitted after the expiration of a Tenant Purchaser's exclusive right to purchase, or a Non-Tenant Purchaser submits a signed Agreement and check for the Deposit to the Selling Agent or Sponsor, such Tenant Purchaser or Non-Tenant Purchaser, as the case may be, will be notified within 30 days after such submission whether the Agreement has been accepted or rejected. Agreements will not be binding on Sponsor until approved and executed by it and delivered by Sponsor to the prospective Purchaser or such Purchaser's attorney. An Agreement from a Tenant Purchaser executed and submitted to Sponsor during any Exclusive Purchase Period shall have priority over and pre-empt any Agreement from a Non-Tenant Purchaser. Sponsor reserves the right, but has no obligation, to request thorough identification and financial information concerning any prospective Purchaser, subject to any limitations and requirements imposed by Law. If the Agreement is accepted, a fully executed counterpart will be returned to the Purchaser by Sponsor or the Selling Agent. If such Purchaser receives no response within the 30 day period, his or her Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded within 15 days thereafter. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to this Plan and without the consent of the Board, to refuse to approve and execute an Agreement (a) for any Residential Unit, except as prohibited by Law or (b) for more than 1 Residential Unit to any 1 person or entity. Sponsor shall have the right to reject such Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law. No prospective Purchaser will have any claim against Sponsor for Sponsor's failure to execute an Agreement.

The Agreement sets forth in detail the terms of sale with respect to each Residential Unit and should be read carefully by each prospective Purchaser. Prospective Purchasers should be aware that if any conflict exists between this Plan and the Agreement, the provisions of this Plan shall in all events control.

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Residential Unit pursuant to the Agreement shall not be contingent on Purchaser obtaining financing for such purchase.

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 this Plan or under Article 23-A of the GBL.

At the time of execution of an Agreement, a Purchaser is required to make a payment in an amount equal to \$1,000 (for Tenant Purchasers) or 10% of the purchase price (for all others) (the "Deposit"). All Deposit checks must be made payable to the direct order of "Pryor Cashman LLP, Escrow Agent." All checks delivered in payment of the Deposit 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.

The balance of the purchase price shall be payable simultaneously with the delivery of the deed to the Residential Unit by 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 this Plan. At Closing, each Purchaser is obligated to execute and deliver the Power of Attorney substantially in the form set forth in Part II of this Plan. In the event that Purchaser(s) fails to deliver to Sponsor the executed Power of Attorney substantially in the form set forth in Part II of this Plan, on or before the Closing, Purchaser shall be in default under the Purchase Agreement, which default shall entitle Sponsor to all of its remedies in the event of such default.

TIME IS OF THE ESSENCE AS TO PURCHASER'S OBLIGATIONS PURSUANT TO THE AGREEMENT, INCLUDING, WITHOUT LIMITATION, 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 RESIDENTIAL UNIT.

After an amendment declaring this Plan effective has been accepted for filing, Sponsor will serve Purchasers with written notice of the originally scheduled Closing Date at least 30 days prior to the originally scheduled Closing Date. In the event Purchaser fails to close on the designated date, then Purchaser will have a 30 day period after written notice within which to cure such default, time being of the essence, 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 an Agreement, and if Purchaser does not cure such default within 30 days after Sponsor gives written notice to the Purchaser of such default and makes a written demand for payment, Sponsor may, at its option, cancel such Agreement and retain the Deposit made by Purchaser, 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 costs or expenses incurred by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Residential Unit to its condition prior to such special work being performed. Sponsor will be entitled to maintain an action against Purchaser for such additional costs.

Sponsor will fix dates for closing title to all Residential Units for which Agreements have been executed by serving notice upon each Purchaser stating the date of the First Closing and setting such Purchaser's Closing Date.

If a Purchaser fails for any reason to close title to the Residential 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 Residential 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 the Residential Unit for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date.

Prior to the closing of title to a Residential Unit, the Agreement prohibits a Non-Tenant Purchaser from listing the Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent.

If this Plan is withdrawn or abandoned, any Deposit and payments for upgrades, extras or custom work received in connection with the Agreement, previously paid to and actually collected by Sponsor shall be returned to Purchaser within 5 days after the amendment abandoning the Plan has been accepted for filing.

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

The risk of loss to any Residential Unit by fire or other casualty until the Closing for such Residential Unit is assumed by Sponsor (unless and until a Purchaser takes possession of such Residential Unit, at which time such risk shall be assumed by Purchaser), but without any obligation or liability by Sponsor to repair or restore any Residential Unit. In the event of damage or destruction of a Residential Unit due to fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, provided Sponsor elects (which election shall be in its sole discretion) to repair or restore the Residential 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 Residential Unit. In such event, Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration, and any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss shall, subject to any rights of the Board and other Residential Unit Owners, belong entirely to Sponsor. In the event of damage or destruction to any Residential Unit by fire or other casualty prior to the Closing, but subsequent to the signing of an Agreement, if Sponsor notifies Purchaser that it does not elect (which election shall be in its sole discretion) to repair or restore the Residential Unit or if the Residential Unit Owners do not resolve to make such repair or restoration pursuant to the By-Laws (see the Section entitled "Rights and Obligations of Residential Unit Owners and Board of Managers"), the Agreement shall be deemed canceled and of no further force or effect and Escrow Agent shall return to Purchaser all sums deposited thereunder, 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.

The Agreement to be used by Tenant Purchasers who purchase during any Exclusive Purchase Period will not be modified except by a duly filed amendment to this Plan.

In the event that a Purchaser is entitled to rescind or terminate an Agreement for any reason, Sponsor may retain any escrow funds only in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, as described in the subsection of this Plan entitled "Escrow and Trust Fund Requirements" in this Section of this Plan.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and the Deposit before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

Escrow and Trust Fund Requirements

All Deposits received by Sponsor under an Agreement will be held in escrow in conformity with the provisions set forth below.

Sponsor will comply with the escrow and trust fund requirements of GBL 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 this 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.

Escrow Agent

The law firm of Pryor Cashman LLP, with an address at 7 Times Square, New York, New York 10036-6569, telephone number (212) 421-4100, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. The signatories authorized to withdraw funds from the Escrow Account are: Ronald H. Shechtman, Esq., Gideon Cashman, Esq., Colleen Caden, Esq., Judith Poller, Esq., Brad D. Rose, Esq., David Rose, Esq., Todd Soloway, Esq., and Barry Landsman, Esq. (each an attorney admitted to practice in the State of New York), none of whom has any interest in Sponsor. Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of the Agreement or otherwise concerning the maintenance and release of the Deposit from escrow. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account

Escrow Agent has established a master escrow account at Citibank, N.A., located at 666 5th Avenue, 5th Floor, New York, New York 10103 (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "Pryor Cashman LLP, Attorney Trust Account" (the "Master Escrow Account"). All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form set forth in Part II of this Plan, as applicable, to Sponsor or

Selling Agent at the time Purchaser tenders the Deposit and the Agreement. If the Deposit is accompanied by a completed and signed Form W-9 or Form W-8BEN, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank deposit insurance to a maximum of \$250,000.00 and while the Deposit is in the checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed \$250,000.00. No representation or guaranty is made by Sponsor that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so.

All Deposits received from Purchaser shall be in the form of checks or wire transfers, and shall be made payable to the order of "Pryor Cashman LLP, as Escrow Agent". Endorsed instruments will not be accepted. Information regarding the Escrow Account may be provided to Sponsor, who may be entitled to access to records with respect thereto.

Acceptance of the Deposit by Sponsor or Selling Agent and the placement of the Deposit by Escrow Agent into the Master Escrow Account, 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 this Plan.

ESCROW AGENT'S NOTICE THAT THE DEPOSIT HAS BEEN DEPOSITED WILL NOT MEAN THAT PURCHASER HAS BEEN APPROVED AS A PURCHASER OR THAT THE AGREEMENT HAS BEEN SIGNED BY SPONSOR; IT SIMPLY MEANS THE CHECK HAS BEEN DEPOSITED.

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 5 business days of Sponsor receiving notice from Escrow Agent of such failure of collection.

The interest rate for all deposits made into a sub-escrow savings account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into its designated sub-escrow account. All interest earned thereon shall be paid to or credited to Purchaser at closing. No fees of any kind may be deducted from the Master Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Master Escrow Account.

Before funds may be transferred to a new escrow account, or if there is a substitution of Escrow Agent, this Plan will be amended to provide the name of the new account, the bank at which the new account is held and the address of the bank at which the new account is held, or the name of the substitute escrow agent and the names of individual signatories to the new account of the substitute escrow agent, as the case may be. Deposits held in the new escrow account will continue to be held in conformity with the provisions set forth in this Plan, GBL Sections 352-3(2-b) and the Attorney General's regulations promulgated pursuant thereto.

Notification of Purchaser

Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit received by them prior to closing of the Unit to a designated attorney who is a member of or employed by Escrow Agent, within 2 business days of tender of the Deposit by Purchaser. Within 5 business days after

the Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign the Agreement and place the Deposit into the Master Escrow Account. Within 10 business days of the placing of the deposit in the Master Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. If Purchaser does not receive notice of such deposit within 15 business days after tender of the Deposit, he or she may cancel the Agreement within 90 days after tender of the Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to Purchaser.

Release of Funds

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

Escrow Agent shall release the Deposit if so directed: (a) pursuant to the terms and conditions set forth in the Agreement upon the closing of title to the Unit; (b) in a subsequent writing signed by both Sponsor and Purchaser or (c) by a final, non-appealable order or judgment of a court.

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

Sponsor shall not object to the release of the Deposit to: (a) a Purchaser who timely rescinds in accordance with an offer of rescission contained in this Plan or an Amendment to this Plan or (b) all Purchasers after an Amendment abandoning this Plan is accepted for filing by the Department of Law.

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

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

Escrow Agent shall maintain the Master Escrow Account under its direct supervision and control.

A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h). Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

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

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

Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with the Agreement or the performance or non-performance of Escrow Agent's duties under the Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in the Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

Escrow Agent shall not be bound by any modification, cancellation or rescission of the Agreement unless the same is in writing and signed by all parties hereto. In no event, however, shall any modification of the Agreement that shall affect the rights or duties of Escrow Agent be binding on Escrow Agent unless Escrow Agent shall have given its prior written consent.

Sponsor and Purchaser agree that Escrow Agent shall not be restricted in any manner whatsoever from acting as attorney for Sponsor with respect to any matter and consent to Escrow Agent so acting as attorney for Sponsor with respect to any matter, including, but not limited to, any litigation or matter related to the Agreement, the Deposit or the transaction contemplated by the Agreement, and whether or not there is a controversy between Sponsor and Purchaser with respect thereto.

Waiver Void

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

FinCEN Requirements

Title insurers are required to collect and report information by the Financial Crimes Enforcement Network of the U.S. Department of the Treasury ("FinCEN") on FinCEN Form 8300 within 30 days of the closing to the U.S. Department of the Treasury regarding purchasers in transactions where: (1) the purchaser is a legal entity which is a corporation, limited liability company, partnership or other similar business entity, whether formed under the laws of a state of the United States or a foreign jurisdiction; (2) the

purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten Island; (3) the total purchase price is in excess of \$3,000,000 in the Borough of Manhattan or the total purchase price is excess of \$1,500,000 for the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) such purchase price is paid without a bank loan or other similar form of external financing; and (5) the purchase is made at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, or a funds transfer. The aforesaid reporting applies to all residential real property closings occurring on or after September 22, 2017 until expiration of the effective period as determined by FinCEN.

ASSIGNMENT OF AGREEMENTS

Agreements are not assignable. Notwithstanding the foregoing, Tenant Purchasers shall have the right to assign their Agreement 1 time to any individual, without the payment of a fee (other than a \$500 fee to Pryor Cashman LLP, counsel to Sponsor) in accordance with Paragraph 23 of the Agreement. Both the Tenant Purchaser and the proposed assignee must execute, in quintuplicate, an Assignment and Assumption Agreement in the form contained in Part II of this Plan, and deliver same to the Selling Agent at least 30 days prior to the Closing Date. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of the Agreement. In order for an assigned Agreement to be counted towards effectiveness, (i) an Agreement shall be signed by the assigning Tenant Purchaser (which assignment shall include the Deposit paid by the assigning Tenant Purchaser to Sponsor) and (ii) the assignee shall provide an affidavit stating that the assignee was not procured by Sponsor, the Selling Agent or the Managing Agent, and that the assignee intends that he or she or a specified member of his or her immediate family will personally occupy the Residential Unit (which affidavit shall be substantially in the form set forth in Part II of this Plan).

EFFECTIVE DATE

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

1. This Plan may not be declared effective until Agreements have been executed and delivered for at least 15% (i.e., 13 Residential Units) of all Residential Units in the Building, by bona fide tenants in occupancy or bona fide purchasers who purchase without fraud or discriminatory repurchase agreements or other discriminatory inducements and represent that they intend that they or 1 or more specified members of their immediate family occupy the Residential Unit when it becomes vacant. As to tenants who were in occupancy on the Filing Date of this Plan, the Agreement must be executed and delivered pursuant to an offering made without discriminatory repurchase agreements or other discriminatory inducements.

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

3. When Agreements have been executed and delivered for the sale of 80% (i.e., 68 Residential Units) of all Residential Units in the Building, and all the conditions referred to in the foregoing paragraph 1 have been met, Sponsor must declare this Plan effective.

This Plan 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) assigned or transferred unless all of the procedures in the Section entitled "Assignment of Agreements" have been complied with; or (iii) signed by Purchasers who have not been afforded at least 3 business days to review this Plan and all filed amendments prior to executing an Agreement or at least 7 days to rescind; or (iv) 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 is a business associate, an employee, a shareholder, a member 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 only if Sponsor has submitted proof satisfactory to the Department of Law establishing that the Purchaser is either a bona fide tenant in occupancy or a bona fide purchaser).

When calculating the 15% requirement: (i) no more than 1 Agreement by the residential tenant or tenants of a particular Residential Unit will be counted; (ii) only 1 Agreement from any residential tenant who leases or occupies more than 1 Residential Unit will be counted; and (iii) only 1 Agreement from any Non-Tenant Purchaser who purchases more than 1 Residential Unit will be counted.

This Plan will be declared effective either by: (a) written notice to all Purchasers and tenants of the Building and, within 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 and tenants; or (b) by duly filed amendment to this Plan. Written notice to all Purchasers and tenants of the Building may be delivered, at Sponsor's option, either via personal delivery or mailing by regular mail or certified mail with or without return receipt requested, addressed to the Purchaser or tenant at the last known address of such Purchaser or tenant. Service by personal delivery shall be deemed complete upon delivery. Service via mailing shall be presumed complete on the 5th day after mailing. The date of completion of service shall be the latest date on which service upon all Purchasers and tenants is deemed or presumed complete. The closing of title with respect to any Residential Unit shall in no event take place prior to the acceptance for filing of such amendment to this Plan.

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

If this Plan has not become effective within 15 months from the Filing Date, it will be deemed abandoned, void and of no effect and all monies will be returned to Purchasers not in default under their respective Agreements, in full, within 30 days thereafter, and all monies forfeited by defaulting Purchasers will (in such case) be retained by Sponsor in accordance with the Agreement (but in no event to exceed 10% of the Purchase Price). In the event of such abandonment, Sponsor shall promptly submit an amendment to the Department of Law together with Form RS-3 as promulgated by the Department of Law and any Deposit previously paid to and actually collected by Sponsor shall be returned to Purchaser within 5 days after the amendment abandoning the Plan has been accepted for filing by the Department of Law.

Upon the return or retention of the Deposit, the Agreement will be null and void and Sponsor will have no further obligation or liability to any Purchaser under this Plan or the Agreement. In the event of abandonment, no new condominium offering plan relating to the Building shall be submitted to the Attorney General for at least 12 months after such abandonment.

Prior to conveying title to the first Residential Unit, Sponsor may, at its option, declare this Plan abandoned for any reason whatsoever before it is declared effective or the 80% quota and other conditions referred to in the foregoing paragraph 3 are reached and satisfied, respectively. Once this Plan has been declared effective, it may not be abandoned except in the event of: (i) the existence of a defect in title (unknown to Sponsor on the Filing Date of this Plan) which cannot be cured without litigation or cannot be cured for less than 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate (by way of example only, assuming the Price to Tenant Purchasers for example is \$63,626,100 if the defect in title could not be cured for less than \$318,130; or (ii) a substantial damage to or destruction of the Building or any portion thereto by fire or other casualty which cannot be repaired for less than 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate (by way of example only assuming the Price to Tenant Purchasers is \$63,626,100, if the substantial damage to or destruction of the Building or any portion thereto by fire or other casualty which cannot be repaired for less than \$318,130; or (iii) the taking of any material portion of the Property by condemnation, eminent domain or by other means. There will be no obligation on the part of Sponsor to incur expenses (except to the extent of up to 0.5% of the Total Purchase Price to Tenant Purchasers in the aggregate in case of defects in title and casualty losses as aforesaid) or engage in litigation to cure the same. Any dollar amount relied upon by Sponsor as the basis for abandonment of this Plan after effectiveness will exclude any attorney fees or any title defects or determination of any authority or regulatory agency or association which existed on the Presentation Date and were either known to Sponsor or were a matter of public record. If Sponsor does not abandon this Plan after the occurrence of any of the events set forth in (i), (ii) or (iii) above, then Sponsor shall be obligated to proceed with this Plan regardless of the cost to cure or repair such items. Whether or not this Plan will be abandoned or the expenses incurred will be in the sole discretion of Sponsor.

Sponsor will on the 30th, 60th, 88th and 90th day after the Presentation Date of this Plan and at least once every 30 days until this Plan is declared effective or abandoned, as the case may be, and on the 2nd day before the expiration and on the expiration day of any Exclusive Purchase Period provided in an amendment to this Plan, (i) file with the Attorney General, Investment Protection Bureau, Real Estate Finance Bureau, 23rd Floor, 120 Broadway, New York, New York 10271, a written statement, under oath, setting forth the percentage of Residential Units in the Building which are the subject of Agreements executed by bona fide residential tenants in occupancy or bona fide purchasers who represent that they intend that they or 1 or more specified members of their immediate family occupy the Residential Unit when it becomes vacant as of the date of such statement and as of a specified time and, (ii) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in the Building. The Sponsor will authorize the Selling Agent to execute such statement. The percentage shall be computed in the same manner as Sponsor shall compute the minimum percentage needed to declare

this Plan effective. The statement which is posted in the Building and filed with the Attorney General shall include the following: the date and time of the statement, the Filing Date of this Plan, the Presentation Date of this Plan and any current amendment, the last day of any Exclusive Purchase Period, the number of bona fide residential tenants in occupancy and bona fide purchasers who have executed Agreements, the number of Residential Units counted in the base and the percentage of purchasers. Copies of all filed and posted written statements will be available for inspection at the office of Sponsor or the Selling Agent and the Attorney General. All filed and posted written statements shall remain posted until the next filed and written statement is posted.

In connection with the amendment declaring this Plan effective, the Department of Law requires an affirmative representation from each bona fide purchaser as part of its investigative process. A bona fide purchaser, will be required to execute an affidavit entitled "Affidavit of Bona-Fide Tenant Purchaser" or "Affidavit of Bona-Fide Non-Tenant Purchaser", copies of which are included in Exhibit 1 in Part II of this Plan. Purchasers are advised to seek the advice of an attorney before executing one of the aforesaid affidavits. The submission of any misinformation to the Department of Law, including a false instrument, shall be deemed a violation of the Martin Act, and may subject both the Sponsor and Purchaser to both civil and criminal liability.

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

TERMS OF SALE

The term "Closing" as used herein refers to the conveyance of title to a Residential Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Residential Unit. The Closing to each Residential Unit shall be held at the offices of Sponsor's attorneys, Pryor Cashman LLP, 7 Times Square, 40th Floor, New York, New York 10036, or at such other place as Sponsor may designate on not less than 2 business days' prior notice. The Closing to each Residential Unit shall take place only after or concurrently with the following events:

- a. this Plan has been declared effective in accordance with its terms and the amendment to this Plan disclosing same has been accepted;
- b. the recording or filing of the Declaration, By-Laws and Floor Plans in the City Register's Office after approval of same in the Real Property Assessment Department of the New York City Department of Finance, as 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;
- c. either (i) the release of the Residential 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 Residential Unit, the assignment to the Purchaser's mortgagee of any existing mortgage(s) encumbering such Residential Unit and its appurtenant interest in the Common Elements;
- d. the delivery to Purchaser of written notice of the time and place of the Closing to the Residential Unit at least 30 days prior to the Closing Date specified therein, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Residential Unit and the Property, during normal business hours and in the company of the Selling Agent, prior to Closing;
- e. 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 this Plan) conveying title to the Residential Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the Permitted Encumbrances;
- f. if the Purchaser of the Residential Unit so requests, the issuance of a title insurance policy or certificate committing to insure fee title to the Residential Unit in the Purchaser subject only to the encumbrances set forth in Schedule A annexed to the form of Agreement, set forth in Part II of this Plan, which policy or certificate will also insure that a valid condominium has been created pursuant to the Condominium Act. A form of Residential Unit Owner's Specimen Title Policy (as prepared by Commonwealth Land Title Insurance, having an office at 685 Third Avenue, 20th Floor, New York, New York 10017, Attn: Peter G. Doyle, Jr., Telephone: 212-973-6209, Facsimile: 212-697-0286 (the "Title Company")), if title insurance is ordered from the Title Company, is set forth in Part II of this Plan. A Purchaser may obtain title insurance from any title insurance company, without incurring extra costs or penalty, provided that such title company agrees to submit all real estate transfer tax forms required to be submitted in connection with the conveyance of a deed to a Residential Unit Owner and all transfer taxes due in connection therewith and agrees to indemnify Sponsor for such title company's failure to file such transfer tax forms and remit the required transfer taxes in connection therewith in a timely manner. RPT Tax and NYS Tax each charge a penalty if the transfer tax returns are not filed timely after a closing. Purchaser's title insurer will not issue a title policy to Purchaser unless Purchaser's title insurer controls the recording of the deed and transfer tax returns, therefore, it is completely

within the control of Purchaser's title insurer whether or not the transfer tax returns are filed timely. For an estimate of the cost to the Purchaser of obtaining such title insurance, see the Section entitled "Closing Costs and Adjustments;" and

g. the execution and delivery by Purchaser of the Power of Attorney, the form of which is set forth in Part II of this Plan.

The Residential Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan. All personal property located within a Residential Unit that is owned by the Sponsor on the date the Agreement is signed or located within the Common Elements on the date the Declaration is filed is included in the conveyance unless specifically excepted in this Plan. Sponsor will Maintain the Building and the Common Elements and the Residential Common Elements until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Residential Unit and/or Residential Limited Common Elements shall cease upon the closing of title of such Residential Unit and/or Residential Limited Common Elements, except for repairs which Sponsor was obligated (and agreed) to make prior to the closing of title. Each Purchaser will be given a reasonable opportunity to examine the Residential Unit and/or Residential Limited Common Elements prior to closing, subject to the rights of any tenant or occupant of such Residential Unit, and is urged to make a careful inspection thereof. In the event a Purchaser fails to inspect a Residential Unit and/or Residential Limited Common Elements, after being given the opportunity to do so, Sponsor reserves the right, in its discretion, to postpone the scheduled Closing or to deem Purchaser to have waived the right to cause punch list work, if any, to be completed.

In no event will Sponsor be responsible for any immaterial condition resulting from: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) conditions of an immaterial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square and/or straight; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level or straightness of ceilings and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level or straightness of a floor or failure of finished floors and walls to be straight or on plane or at less than 90° from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows, vents, electrical outlets and similar openings in the wall, in accordance with customary practice and professional standards; (ix) noise from normal plumbing, heating, ventilating and air conditioning operation; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, and normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, or due to homeowner's failure to maintain consistent temperature; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other immaterial conditions in: exterior stone, windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins and water closets; kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, dimensional

variations in brick joints and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete used in lobby walls and paving; (xix) discoloration to hardware and plumbing finishes; (xxi) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xx) scratched, dirty or cracked lenses in light fixtures; (xxi) tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts; or (xxiii) salting or color variation in exterior colored mortar and deep colored brick.

In no event will Sponsor be responsible for any condition beyond its control, including without limitation: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) partial or total loss of any trees, shrubs, bushes or other landscape improvements; (iii) gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage (iv) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (v) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (vi) cracks in pressure-treated lumber used or intended for use outside the Building.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE ARE IMMATERIAL CONDITIONS NOT DEFECTS. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND IMMATERIAL CONDITIONS IN THEIR UNIT, THE COMMON ELEMENTS, THE LIMITED COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND IMMATERIAL CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREFOR. IF PURCHASERS OR THE BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR IMMATERIAL CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable Law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor's obligation, regardless of any limitations in any warranty, cannot go below the duty to complete any construction it agrees to undertake in accordance with all applicable codes and filed plans and specifications. Sponsor has not given, and Purchaser has not relied on or bargained for, any of the foregoing warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise), including, without limitation, any costs associated with a Residential Unit Owner vacating the Residential Unit or its contents during any period of repair or alteration which Sponsor has agreed or is required to perform.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of any immaterial variations in the description of any portion of the Building or a Residential Unit set forth in this Plan or an Agreement which are neither in violation of applicable building codes, nor require the approval

of any governmental authority having jurisdiction. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to this Plan.

If prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of this offering to be more favorable to Tenant Purchasers, a Tenant Purchaser who executed and submitted an Agreement and the Deposit before Sponsor amended the terms of this Plan shall benefit from the more favorable terms and conditions.

If the Purchaser is or becomes the tenant or occupant of the Residential Unit before the closing of title thereto and, before such closing, the Residential 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 Residential Unit or did not result from the acts of such Purchaser or other occupants of the Residential Unit or such Purchaser's guests, invitees or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Board does not elect to repair the damage, the Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Residential Unit without such repair. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default under the Agreement (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Residential Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments (see Schedule A to the Purchase Agreement, Exhibit 1 in Part II of this Plan for a list of all title exceptions). Sponsor will bear the responsibility and cost of recording or filing such instruments. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Residential Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Residential Unit being conveyed.

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 this Plan except those (if any) which may be expressly stated in this Plan, in the Agreement, in 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in GBL §352-e to survive delivery of the deed.

Upon the closing of title to a Residential Unit, a Purchaser will thereupon become obligated for the payment of Common Charges, taxes and other assessments charged against the Residential Unit to the Board (whether or not such Purchaser has taken possession of the Residential Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

The existing lease of a tenant who has purchased a Residential Unit will be terminated as of the closing of title to such tenant's Unit, and such tenant will not have any rights afforded by, nor be subject to, the Rent Laws or the GBL.

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 Units. Recording charges, fees and taxes are based on rates in effect on the date of this Plan and are subject to change without notice:

(a) Each Purchaser of a Unit will pay a contribution to the working capital fund of the Condominium in an amount equal to 2 months' Common Charges then applicable to each Unit being purchased.

(b) If a Purchaser elects to obtain fee title insurance, such Purchaser will pay the premium therefore, which will vary depending upon the amount requested. Since the Building contains 10 or more Units, the premium will be calculated at a discounted rate of 70% of the standard fee policy rates. Title Company has provided Sponsor with the standard fee policy rates set forth below. Purchaser is under no obligation to obtain title insurance from the Title Company. Purchaser may obtain title insurance from a title insurer of Purchaser's choice, without incurring any additional cost or penalty.

FEE RATE SCHEDULE FOR INSURANCE UP TO AND INCLUDING \$1,000,000.00

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

Note - The minimum premium for a fee policy is \$342.00.

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

<u>AMOUNT OF INSURANCE</u>	<u>PREMIUM</u>
First \$35,000 or less	\$402.00
From \$35,001 to \$50,000	\$6.67 per Thousand
From \$50,001 to \$100,000	\$5.43 per Thousand
From \$100,001 to \$500,000	\$4.36 per Thousand
From \$500,001 to \$1,000,000	\$3.98 per Thousand
From \$1,000,001 to \$5,000,000	\$3.66 per Thousand

If Purchaser elects to simultaneously obtain both fee title insurance and mortgage title insurance from the Title Company, the premium for the fee title insurance will be calculated as described in paragraph (b) - the premium for the mortgage title insurance that does not exceed the fee policy will be calculated using the below standard mortgage policy rates and after calculating the mortgage title insurance premium applying a discount of 79%:

SIMULTANEOUS MORTGAGE RATE SCHEDULE

<u>AMOUNT OF INSURANCE</u>	<u>PREMIUM</u>
First \$35,000	\$344.00
From \$35,001 to \$50,000	\$5.55 per Thousand
From \$50,001 to \$100,000	\$4.54 per Thousand
From \$100,001 to \$500,000	\$3.64 per Thousand
From \$500,001 to \$1,000,000	\$3.31 per Thousand
From \$1,000,001 to \$5,000,000	\$3.05 per Thousand

A Purchaser may obtain title insurance from any title insurance company, provided that such title company agrees to submit all real estate transfer tax forms required to be submitted in connection with the conveyance of a deed to a Unit Owner and all transfer taxes due in connection therewith (as more particularly summarized in subparagraphs (c) and (d) below) and agrees to indemnify Sponsor for such title company's failure to file such transfer tax forms and remit the required transfer taxes in connection therewith in a timely manner.

(c) Purchaser will pay a fee for recording the Unit Deed and Power of Attorney, being approximately \$42.00 for each instrument plus \$5.00 per page together with a fee of \$125 for filing the New York City Real Property Transfer Tax Return additionally each title company establishes its own additional service and surcharges in this regard.

(d) Notwithstanding that the New York City Real Property Transfer Tax ("RPT Tax") and the New York State Real Estate Transfer Tax ("NYS Tax") are statutorily imposed upon a seller, as is customary in sponsor condominium offerings, Purchasers will pay the RPT Tax, which currently, for the purchase of a single Unit, is 1% of the purchase price of a Unit \$500,000 or less (1.425% of the purchase price if over \$500,000) and the NYS Tax, presently \$2.00 for each \$500.00 (or part thereof) of the purchase price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to tax. Therefore, the steps to compute the tax are:

- (i) Multiply the purchase price by the RPT Tax rate to compute the tentative RPT 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 (iii) by the RPT Tax rate to determine the RPT Tax payable.
- (v) Multiply (iii) by the NYS Tax rate to determine the NYS Tax payable.

Under the current policies of the City of New York Department of Finance, where a purchaser purchases 2 or more Units that have not been physically combined into a single residence before the transfer, the RPT Tax rate where the consideration is \$500,000 or less will be 1.425%, while the tax rate where the consideration is in excess of \$500,000 will be 2.625%. The City of New York Department of Finance has taken the position that the consideration for the transfer of a Unit under a deed is aggregated with the consideration for the transfer of other Units under separate deeds for purposes of determining total consideration. There is no guarantee that the City of New York will not change its positions with respect to the foregoing.

(e) If the purchase price of the Unit is \$1,000,000 or more, Purchaser will pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the “Mansion Tax,” which is currently 1% of the purchase price (the computation of which shall include the RPT Taxes and NYS Taxes as described above). When the Purchase Price is equal to or in excess of \$1 million, payment by Purchaser of the Mansion Tax is not considered additional consideration to Sponsor for purposes of the calculation of the NYS Transfer Tax.

	Purchase Price of \$500,000 or Less	Purchase Price of \$500,000 or Greater
Tentative RPT Tax		
Consideration	\$400,000	\$1,500,000
Tax Rate	1%	1.425%
Tentative Tax	\$4,000	\$21,375
Tentative NYS Tax		
Net Consideration	\$400,000	\$1,500,000
Round up to nearest \$500	\$400,000	\$1,500,000
Tentative tax (\$2.00 per \$500)	\$1,600	\$6,000
RPT Tax		
Consideration	\$400,000	\$1,500,000
Tentative Tax	\$5,600	\$27,375
Taxable Consideration	\$405,600	\$1,527,375
Tax Rate	1%	1.425%
RPT Tax	\$4,056	\$21,765
NYS Tax		
Net Consideration	\$400,000	\$1,500,000
Tentative Tax	\$5,600	\$27,375
Taxable Consideration	\$405,600	\$1,527,375
Round up to nearest \$500	\$406,000	\$1,527,500
NYS Tax	\$1,624	\$6,110

(f) The legal fees of Sponsor’s attorneys in the amount of \$2,500 will be payable by a Purchaser to Pryor Cashman LLP. 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, Pryor Cashman LLP, 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 Pryor Cashman LLP or such other place as Sponsor may designate in its closing notice and Sponsor consents to such change, an attendance fee of \$750 for each Closing held within Manhattan and \$1,000 for each Closing held in any borough outside Manhattan. Sponsor’s attorneys will impose a reschedule fee of \$300 if the Purchaser postpones the scheduled Closing (with the consent of Sponsor) less than 5 business days prior to the date thereof. 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, a fee of \$750, payable in advance, for preparation of an assignment agreement, shall be due to Sponsor’s attorneys. Purchaser may pay more than 1 fee pursuant to this paragraph with respect to a single Unit. In addition to an attendance fee in connection with a completed Unit transfer, Sponsor’s attorneys shall also be entitled to an attendance fee if they attend a scheduled closing but the closing is adjourned due to Purchaser’s failure to comply with its closing obligations, the determination of which shall be within the sole discretion of Sponsor’s

attorneys. In addition, more than 1 assignment fee shall be payable if Sponsor consents to more than 1 request.

(g) 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, for Units, 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. Of the total due, the mortgagee typically pays an amount equal to .25% of the face amount of the mortgage. In addition, there is a \$30.00 exemption for residential property. 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.

The following table illustrates the projected closing costs (based on current rates) for a Residential Unit at a Purchase Price of \$466,000.00, assuming such Purchaser finances 80% (i.e., \$372,800.00) of the purchase price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	\$2,650.00
Fee for recording Residential Unit Deed (7 pages) and Residential Unit Owner's Power of Attorney (5 pages)	210.00
Mortgage Loan Closing Costs:	
- recording mortgage (assuming 20 pages).....	175.00
- mortgage recording tax.....	6,680.00
- mortgage title insurance (if purchased simultaneously with fee title insurance)	494.00
- other bank charges (assuming "points" of 1% of mortgage amount, and appraisal fee of \$500 and legal fees of \$500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	4,728.00
New York City Real Property Transfer Tax and New York State Transfer Tax	6,617.00
Working Capital Payment (approximate)	497.00
Closing Fee (assuming the closing occurs at the offices of Sponsor's counsel)	<u>2,500.00</u>
TOTAL	\$24,551.00

The following table illustrates the projected closing costs (based on current rates) for a Residential Unit at a Purchase Price of \$1,028,000.00, assuming such Purchaser finances 80% (i.e., \$822,400.00) of the purchase price:

Fee Title Insurance (if purchased simultaneously with mortgage title insurance)	\$4,610.00
Fee for recording Residential Unit Deed (7 pages) and Residential Unit Owner's Power of Attorney (5 pages)	210.00
Mortgage Loan Closing Costs:	
- recording mortgage (assuming 20 pages).....	175.00
- mortgage recording tax.....	15,802.00
- mortgage title insurance (if purchased simultaneously with fee title insurance)	954.00
- other bank charges (assuming "points" of 1% of mortgage amount, and appraisal fee of \$500 and legal fees of \$500 and assuming further that the lender does not require Purchaser to deposit funds to establish a real estate tax escrow)	9,224.00
New York City Real Property Transfer Tax and New York State Transfer Tax	19,293.00
NYS Mansion Tax	10,472.00
Working Capital Payment (approximate)	1,124.00
Closing Fee (assuming the closing occurs at the offices of Sponsor's counsel)	<u>2,500.00</u>
TOTAL	\$64,364.00

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

All legal costs, fees and expenses of Sponsor's attorneys, 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 lease or use and occupancy agreement, if any, covering Purchaser's Residential Unit. Sponsor may also collect, on behalf of the Board, Common Charges for the month following the month in which the Closing occurs. In the event the Units have not been separately assessed for real estate tax purposes prior to the First Closing, each Residential Unit Owner will pay a pro rata share (in the proportion that such Residential Unit's Common Interest bears to the aggregate Common Interest of all Residential Units) of all real estate taxes with respect to the Residential Units to the Board as Common Charges. (Please refer to Schedule A for an estimate of real estate taxes payable during the first year of Condominium operation). In addition,

to the extent the Residential Units will not be separately assessed, Sponsor may collect at Closing, on behalf of the Board, real estate taxes due and payable for the tax periods in which the Units will not be separately assessed. The Board will pay such taxes either to the Department of Finance of the City of New York or directly to Sponsor if Sponsor has already paid such real estate taxes. If any Residential Unit Owner fails to pay such Residential Unit Owner's pro rata share as set forth above, the Board will have a lien on such Residential Unit for non-payment of Common Charges. (See the subsection "Common Charges: Collection and Lien for Non-Payment, Payment of Rent to Board" under the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" for further discussion.) At such time as a Residential Unit is separately assessed and separately billed, its Residential Unit Owner will pay such taxes directly to the taxing authority.

If a Purchaser fails for any reason to close title to the Residential Unit 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 Residential 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 the Residential 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 Residential Units, including, but not limited to, all selling expenses and commissions payable to the Selling Agent for the initial sale of Residential 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 this Plan, in connection with the obligations of Sponsor. See the Section entitled "Rights and Obligations of Sponsor."

RIGHTS AND OBLIGATIONS OF SPONSOR

Sponsor's Obligations with Respect to the Creation of the Condominium

Sponsor will bear all costs and expenses to be incurred in connection with the creation of the Condominium and the preparation, filing and distribution of this Plan. In addition, Sponsor will pay all selling expenses and brokerage commissions of the Selling Agent or other broker engaged by Sponsor. In the event that there are title encumbrances (other than Permitted Encumbrances annexed to the Agreement as Schedule A and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed in accordance with this Plan, at its sole cost and expense, by the First Closing or within a reasonable time thereafter. The existence of any such encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his or her Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to Purchaser's title company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by Purchaser's title company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect. If the aggregate cost and expense of curing, remedying and/or removing all such encumbrances exceeds 0.5% of the Total Purchase Price to Tenant Purchasers and Sponsor elects not to accomplish the same, Sponsor shall abandon and withdraw this Plan in accordance with the terms of the Section entitled "Effective Date."

If the Purchaser is or becomes the tenant or occupant of the Residential Unit before the closing of title thereto and, before such closing, the Residential 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 Residential Unit or did not result from the acts of such Purchaser or other occupants of the Residential Unit or such Purchaser's guests, invitees or workmen. Except as set forth in the preceding sentence, all other risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Board does not elect to repair the damage, the Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Residential Unit without such repair. If the Agreement is so canceled, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

Immediately following the recording of the Declaration, all assignable service and maintenance contracts and agreements relating to the Residential Units, the Common Elements and/or the Residential Common Elements and/or Residential Limited Common Elements will be assigned to the Board, and the Board will, on behalf of all Residential Unit Owners, assume the same and indemnify the assignor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the Declaration was recorded.

Sponsor's Obligations with Respect to Asbestos

In accordance with the provisions of 13 NYCRR 23.7(cc) (the "Asbestos Regulations"), Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material ("ACM") is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the "Asbestos Report") which indicates no presence of visible and/or friable ACM in the Building.

Real Property Law Section 339-kk

Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of this Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant Residential Unit owner of a residential unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's Residential Units.

RPL §339-kk provides, by its terms, among other things, that with respect to unsold units of a condominium owned by a sponsor or by any other non-occupant unit owner and occupied by a tenant:

(a) If payment of common charges, assessments or late fees by any non-occupant unit owner is more than 60 days late after the expiration of any grace period within which they are due, rental payments from a tenant of such unit may become directly payable to the condominium upon written notice by the condominium to the tenant and the non-occupant unit owner. Where a majority of the board has been elected by Residential Unit Owners who are in occupancy of their respective units, the board may elect not to require that the rental payments be paid to the condominium. Once the common charges, assessments and late fees of the non-occupant Residential Unit Owner have been brought current, the board must notify the non-occupant Residential Unit Owner and tenant within 3 business days and thereafter the rental payments will be payable to the non-occupant Residential Unit Owner or a designated agent.

(b) Payment by a tenant of rent or the amount required pursuant to the tenant's lease or statutory tenancy to the condominium pursuant to RPL §339-kk, relieves the tenant from the obligation to pay rent to the non-occupying Residential Unit Owner.

(c) Any rights existing under any other laws are not limited by RPL §339-kk.

(d) A non-occupant Residential Unit Owner who disputes a condominium's claim to rental payments is entitled to present facts supporting such owner's position at the next scheduled meeting of the board, which must be held within 30 days after receipt of notice that the Residential Unit owner seeks to dispute the condominium's claim.

Sponsor makes no representation or guarantee that any Residential Unit Owner (other than Sponsor), any tenant or the Condominium will in fact comply with RPL §339-kk, and Sponsor shall have no liability for their failure to do so.

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter made to a non-occupant owner and secured by the Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Residential Unit Owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant owner to a mortgagee in connection with purchase-

money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Board after notice from the Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Board's failure to give notice to a tenant, or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Residential Unit owner is brought current in payment of common charges, assessments and late fees.

Finally, no representation is made about the tax effects of RPL §339-kk.

All prospective purchasers should review RPL §339-kk to determine its effect on their own situation.

Leasing and Use of Unsold Residential Units

Sponsor reserves the right, prior to the date of closing title thereto, to enter into an Interim Use and Occupancy Agreement for any Residential Unit for such consideration and term and on such other conditions as may be agreed to between Sponsor and any Purchaser who has paid the Deposit required by the Agreement. Any such Interim Use and Occupancy Agreement will provide, however, among other things, that any uncured default by the Purchaser under the Agreement with respect to the Residential Unit which is the subject of the Interim Use and Occupancy Agreement will constitute a default under the Interim Use and Occupancy Agreement entitling Sponsor, at its sole option, to terminate such Interim Use and Occupancy Agreement in accordance with applicable Law. In addition, each Agreement may provide that an uncured default by the Purchaser under any Interim Use and Occupancy Agreement with respect to the Residential Unit which is the subject of the Agreement will constitute a default under the Agreement entitling Sponsor, at its sole option, to terminate such Agreement and to exercise any remedies therein; provided however, that before Sponsor utilizes the default under the Interim Use and Occupancy Agreement to declare a default under the Agreement, Sponsor will either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the occupant unless the occupant has vacated the Residential Unit.

Purchasers or any other persons entering into an Interim Use and Occupancy Agreement for a Residential Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the Interim Use and Occupancy Agreement. All other charges or other fees due under an Interim Use and Occupancy Agreement shall be adjusted as of the closing of title to the Residential Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any Interim Use and Occupancy Agreement.

Sponsor or its designee reserves the right to use or occupy itself or to rent, license or lease to a tenant who is not a Purchaser (for such rent and term and on such other conditions as may be agreed to between such parties) any Residential Unit not yet conveyed and occupied or to withdraw Residential Units from the market. Under this non-eviction Plan, individuals who reside in Residential Units not subject to government regulation as to rentals and continued occupancy, and whose lease expire and against whom holdover proceedings are commenced before the Effective Date of this Plan retain only minimal protections available to the common law "tenant at sufferance" and are not protected from eviction for failure to purchase or any other reason applicable to expiration of tenancy and from unconscionable rent increases absent some special circumstance, as found by a court of competent jurisdiction. Non-Purchasing Tenants who lease Unsold Units after the Effective Date of this Plan are protected from eviction for failure to purchase their Residential Unit or any other reason applicable to expiration of tenancy and from unconscionable rent increases. Unconscionable rent increases are defined by law as increases that are "beyond ordinary rentals for comparable apartments during the period of their occupancy." Sponsor or its designee further has the right, following the expiration of the Exclusive Purchase Period, to sell occupied Residential Units to 1 or more Non-Tenant Purchasers for investment or resale or to lease occupied

Residential Units to others or to retain vacated Residential Units for future rental. The terms of the Fee Mortgage do not obligate Sponsor to market Residential Units for sale as they become vacant. In addition, Sponsor has the right to limit the number of Residential Units sold to any Purchaser and to make bulk sales of Residential Units to Sponsor's Transferee. Sponsor and Sponsor's Transferee, if any, reserve the right to rent, rather than sell, any or all of the Residential Units as they become vacant. Sponsor's and Sponsor's Transferee's, if any, right to rent, rather than sell Residential Units once they become vacant, is unconditional and exercisable in their sole discretion. 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 occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor and Sponsor's Transferee, if any, to sell more than the 15% of the Residential Units needed to declare this Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. The By-Laws do not require that after the Sponsor Control Period a majority of the members of the Board be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment. Sponsor need not endeavor in good faith to sell Residential Units rather than rent them as they become vacant. Sponsor retains unconditional discretion to rent rather than sell Residential Units.

As of the date hereof, the Fee Mortgagee (New York Community Bank) will release a Residential Unit from the lien of the Fee Mortgages upon the payment of the greater of (i) 140% of the Residential Unit's pro rata share of the mortgage or (ii) 80% of the Residential Unit's gross sales price as determined by the Fee Mortgagee. As a fee, the Fee Mortgagee will charge the Sponsor 1% of the principal reduction amount to release each Residential Unit (other than a bulk sale of 3 or more Residential Units, to which the full prepayment penalty will apply, but in no event will the penalty be less than 1% of the principal reduction).

Sponsor and its designee reserve the right, without prior notice or amendment to this Plan, to use Unsold Residential Units on any floor of the Building as sales and rental offices and model Residential Units for the Building and other buildings. In the event Sponsor or its designee thereafter elects to sell any such Unsold Residential 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 Residential Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model Residential Unit or Common Element or Residential Common Element or Residential Limited Common Element or in any advertisements with respect thereto, imply or represent that any Residential Unit or Common Element or Residential Common Element or Residential Limited Common Element will contain such furniture, furnishings, equipment or decorations upon delivery of the Residential Unit to the Purchaser, unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the purchase price for such Residential Unit.

Sponsor's Obligations with Respect to the Residential Units and the Building

The Purchaser of a Residential Unit shall inspect such Residential Unit prior to the Closing Date and shall execute at such time an inspection statement acknowledging Purchaser's acceptance of the Residential Unit in accordance with the terms of this Plan. As more particularly set forth elsewhere in this Plan, Sponsor is offering the Residential Units in their "as is" condition. However, in the event Sponsor agrees, in its absolute discretion, to perform any work in a Residential Unit, if Purchaser finds that Sponsor's work has not been completed as described in the Agreement for the Residential Unit, then Sponsor and the Purchaser in question will agree to include on the inspection statement a list of "punch list" work to be completed in the Residential Unit by Sponsor following the Closing Date. Sponsor shall have no obligation

to complete any work described therein which is not specifically designated by the Purchaser on the inspection statement. A Purchaser shall receive prior notice that a Residential Unit is available for inspection pursuant to this paragraph as more particularly set forth in the Agreement in Part II of this Plan. A Purchaser who fails to inspect such Residential Unit shall be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of this Plan. After the closing of title to each Residential Unit, the Purchaser thereof must comply with the procedures established by the Managing Agent regarding such Purchaser's move into the Residential Unit. This may include "move in" fees which will be refunded to the Purchaser unless the Purchaser or the Purchaser's agents damage the Common Elements or Residential Common Elements or Residential Limited Common Elements or another Residential Unit during the move in.

In no event will Sponsor be responsible for any immaterial condition resulting from: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) conditions of an immaterial nature, such as, without limitation, partial or total loss of any trees, shrubs, bushes or other landscape improvements, nail pops, protruding dry wall fastenings, ridging on gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage including, without limitation, warpage of the main entrance door within reasonable tolerances of doors of similar size and weight, scratches in plastic laminate, vitreous china, natural stone, wood, stainless steel or porcelain surfaces; bathroom finish grouting; adjustment of doors; walls not square and/or straight; electrical plates not straight; discoloration or shrinkage; slight separation between base and floors; (iii) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (iv) deviations in the level or straightness of ceilings and imperfections in ceiling finishes; (v) imperfections in painting finishes; (vi) deviations in the level or straightness of a floor or failure of finished floors and walls to be straight or on plane or at less than 90° from each other; (vii) alignment of bathroom finishes and variation in grouting thickness; (viii) air infiltration and water infiltration from windows, vents, electrical outlets and similar openings in the wall, in accordance with customary practice and professional standards; (ix) noise from normal plumbing, heating, ventilating and air conditioning operation; (x) normal floor noises and creaking; (xi) carpet or floor discoloring or stretching; (xii) scratches and imperfections or variations in width, length, thickness, finish or color range of wood floor strips or other flooring or floor finishes, and normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, or due to homeowner's failure to maintain consistent temperature; (xiii) repair of chips, scratches, mars, breaks, dents, cracks or other immaterial conditions in: exterior stone, windows, window glass, frames and hardware; insulation attached to the curtain wall; sliding glass doors, frames, door glass and hardware; louvers; shower doors; lighting fixtures, lenses, baffles and globes; all painted surfaces; all sinks, tubs, basins and water closets; kitchen cabinets, backsplashes and countertops; vanity tops and cabinets; all tile or natural stone floors and walls; saddles; all appliances; woodwork, millwork and doors; mirrors; (xiv) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (xv) leaching or color variation in color mortar and colored brick, dimensional variations in brick joints and mortar droppings on bricks; (xvi) ponding and/or controlled drainage on the roof surface; (xvii) cracks in pressure-treated lumber used or intended for use outside the Building; (xviii) cracks or discoloration in concrete used in lobby walls and paving; (xix) discoloration to hardware and plumbing finishes; (xxi) stains, runs, lumps, shags or imperfections in weave in fabric panels; (xx) scratched, dirty or cracked lenses in light fixtures; (xxi) tiles not laid flat, or color variation in tiles or mortar, or stained tiles; (xxii) subsequent to the Residential Unit Closing, paint touch-ups, repairs of dented appliances or replacement of fluorescent light ballasts; or (xxiii) salting or color variation in exterior colored mortar and deep colored brick.

In no event will Sponsor be responsible for any condition beyond its control, including without limitation: (i) normal wear and tear or natural deterioration or from the normal movement, settlement and/or shrinkage of the Building and/or Building materials; (ii) partial or total loss of any trees, shrubs, bushes or

other landscape improvements; (iii) gypsum board, lumber and wood trim shrinkage or warpage, door or window sticking, door warpage (iv) normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in roof ballast or concrete cracks which do not reduce the structural integrity of the Building; (v) cracks or variations in tone or color of natural stone or variations in tone or color of vanity tops or any other natural stone surfaces; (vi) cracks in pressure-treated lumber used or intended for use outside the Building.

THE ITEMS AND CONDITIONS DESCRIBED ABOVE ARE IMMATERIAL CONDITIONS NOT DEFECTS. PURCHASERS WHO PURCHASE A RESIDENTIAL UNIT IN THE BUILDING MAY EXPERIENCE SOME OR ALL OF THESE ITEMS AND IMMATERIAL CONDITIONS IN THEIR UNIT, THE COMMON ELEMENTS, THE LIMITED COMMON ELEMENTS OR ELSEWHERE IN THE BUILDING. SPONSOR HAS NO OBLIGATION TO CORRECT OR REPAIR ANY OF THESE ITEMS AND IMMATERIAL CONDITIONS AND WILL NOT BE LIABLE TO ANY PURCHASER OR THE BOARD THEREFOR. IF PURCHASERS OR THE BOARD DESIRES TO CORRECT OR REPAIR ANY OF THESE ITEMS OR IMMATERIAL CONDITIONS, TO THE EXTENT THEY CAN BE CORRECTED OR REPAIRED, THEY WILL HAVE TO PROCEED AT THEIR SOLE COST AND EXPENSE BY THEMSELVES AND/OR UNDER ANY WARRANTIES OR UNDERTAKINGS ASSIGNED TO THEM BY SPONSOR.

To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable Law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor's obligation, regardless of any limitations in any warranty, cannot go below the duty to complete any construction it agrees to undertake in accordance with all applicable codes and filed plans and specifications. Sponsor has not given, and Purchaser has not relied on or bargained for, any of the foregoing warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise), including, without limitation, any costs associated with a Residential Unit Owner vacating the Residential Unit or its contents during any period of repair or alteration which Sponsor has agreed or is required to perform.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of any immaterial variations in the description of any portion of the Building or a Residential Unit set forth in this Plan or an Agreement which are neither in violation of applicable building codes, nor require the approval of any governmental authority having jurisdiction. Any such variation affecting the Property which is material will be disclosed in a duly filed amendment to this Plan.

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 to, and without the consent of the Board, any Residential Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Residential Unit, (b) change the size and/or number of Unsold Residential Units by dividing 1 or more such Residential Units into 2 or more separate Unsold Residential Units, (c) combine separate Residential Units (including those resulting from such subdivision or otherwise) into 1 or more Residential Units, altering any boundary walls between 1 or more Residential Units, or otherwise, including incorporating Common Elements and/or Residential Common Elements (such as a portion of a hallway) which exclusively benefit a Residential Unit and/or Residential Limited Common Elements into such Residential Unit, (d) designate a Common Element and/or Residential Common Elements and/or

Residential Limited Common Element as part of a newly created Residential Unit and (e) if appropriate, reapportion among the Unsold Residential Units affected by any such change, their aggregate Common Interests and Residential Common Interests. In the event of any change pursuant to either (b), (c) or (d) above, such change shall be disclosed in a duly filed amendment to this Plan. No such change, including any change in the Common Interest or in the amount or quality of Common Elements or Residential Common Elements directly affecting or servicing a Residential Unit, will be made with respect to any Unsold Residential Unit for which an Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, Common Interest, dimension, floor space or layout of such Unsold Residential Unit. The Common Interest of a Residential 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 Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. No material change will be made in the size or number of Residential Units or in the size or quality of the Common Elements or Residential Common Elements except by amendment to this Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers whose Residential Units are affected consent, no material change will be made in a Residential Unit layout or percentage of Common Interest if an Agreement has been executed and delivered to Sponsor for that Residential Unit and the Purchaser is not in default, unless Purchasers not in default receive a right to rescind their respective Agreements within a reasonable period of time that is not less than 15 days after the date of presentation of an amendment setting forth the right to timely rescind.

General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Residential Unit Owner with respect to any Unsold Residential Units (for so long as Sponsor owns same) and any other obligations set forth in this Plan on the part of Sponsor to perform, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers under their respective Agreements. Sponsor agrees to pay all Common Charges, special assessments and real estate taxes with respect to the Unsold Residential Units. Sponsor represents that it has the financial resources to meet its obligations with respect to the Unsold Residential Units. Sponsor intends to meet its obligations to the Condominium through proceeds from the sale of Residential Units and rental income from Non-Purchasing Tenants and other tenants. Sponsor makes no representations or warranties other than as set forth in this Plan. 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 this Plan except those (if any) which may be expressly stated in this Plan, in the Agreement, in 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in GBL Section 352-e to survive delivery of the deed. Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Residential Unit arising out of any occurrence taking place on or after the date of the closing of title to such Residential Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements or Residential Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan.

Sponsor has not furnished any bond or other security for the performance of its obligations under this Plan.

Sponsor will initially procure on behalf of the Board the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws (see the Section entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers") the cost of which has been reflected in the Projected Budget set forth in Schedule B. Please refer to the Section of

this Plan entitled "Terms of Sale" for a discussion of Sponsor's obligations to repair damage from a casualty or other causes prior to the closing of title to a Residential Unit.

Sponsor shall have only such obligation to defend any suit or proceeding arising out of Sponsor's acts or omissions or to indemnify the Board or Residential Unit Owner(s) in any such action or proceeding as is required by Law.

In accordance with New York Business Corporation Law Section 713(a)(1), in the event that there are Members of the Board which are non Sponsor designees and a vote of the Members of the Board is held as to whether to sue Sponsor, Sponsor designee Members of the Board cannot vote on said issue.

Sponsor may dissolve or liquidate at any time. In the event of such an occurrence or the transfer of 10 or more Residential Units or 20% of the Residential Units in the Condominium, whichever is less, 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 Residential Units under this Plan and applicable Law and in the event of dissolution or liquidation, the principals of Sponsor shall guarantee the performance of such obligations.

Sponsor will have an easement through all portions of the Building, including the Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements, as may be necessary to perform Sponsor's obligations under this Plan, including, without limitation, any obligation to perform work.

Sponsor will cause the Board to Maintain the Property in substantially the same condition and manner as on the date of presentation until Sponsor no longer controls the Board.

All representations under this Plan, all obligations pursuant to the GBL and such additional obligations under this Plan which are to be performed subsequent to the closing of each Residential Unit will survive delivery of the deed.

CONTROL BY SPONSOR

The affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board"). From and after the first annual meeting of Residential Unit Owners the Board shall consist of 6 persons, 5 persons elected by the Residential Unit Owners ("Residential Board Members") and 1 persons designated by the Commercial Unit Owner ("Commercial Board Member"). Notwithstanding the foregoing the Board shall govern the affairs of the Condominium which affect both the Residential Unit Owners and the Commercial Unit Owner; the affairs of the Condominium which only affect the Residential Unit Owners shall be governed by the Residential Board Members only and the affairs of the Condominium which only affect the Commercial Unit Owner shall be governed by the Commercial Board Member only.

In addition to Sponsor's right to designate (or nominate and elect) Residential Board Members, Sponsor shall have the right to vote all of the Common Interests attributable to Residential Units owned by Sponsor for the Residential Board Members not affiliated with Sponsor in any election for Residential Board Members. At all elections held during the period ending on the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units having more than 50% of the aggregate Common Interests appertaining to all Residential Units, or (ii) 5 years after the First Closing (the "Sponsor Control Period"), Sponsor may control the Board.

After the expiration of the Sponsor Control Period, Sponsor (or its designees) shall have the right to designate the following minimum number of Residential Board Members: (a) 2 Residential Board Members, for so long as the Common Interests attributable to the Unsold Residential Units equal, in the aggregate, more than 15% of the Common Interests of all Residential Units; and (b) 1 Residential Board Member, for so long as Sponsor (or its designees) owns at least 1 Unsold Residential Unit. In addition to Sponsor (or its designees) designating the aforesaid number of Residential Board Members, Sponsor (or its designees) may cast its votes for individuals nominated to be Residential Board Members who are not nominated or designated by Sponsor (or its designees), which individuals, if elected, shall not be deemed to be Sponsor's (or its designees') nominees or designees and shall not be deemed to cause Sponsor to control the Board. At all times, the Commercial Unit Owner shall be entitled to designate 1 Commercial Board Member. After the expiration of the Sponsor Control Period, in the event a vote of the Members of the Board is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Sponsor designee Members of the Board (whether Residential Members or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Sponsor designees.

Notwithstanding anything to the contrary set forth above, Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required (i) to comply with applicable Laws, (ii) to remedy any notice of violation or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses as more fully described below.

The Condominium, without the consent of Sponsor, may not reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their residential tenancies or as may be otherwise required by Law.

Within 30 days after the Sponsor Control Period, the applicable number of Residential Board Members who were designated by Sponsor shall resign and Sponsor shall call a meeting of Residential Unit Owners to elect a new Board.

Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for individuals nominated to the Board who are not nominated or designated by Sponsor, which individuals, if

elected, shall not be deemed Sponsor nominees or designees and shall not be deemed to cause Sponsor to control the Board after the Sponsor Control Period.

The number of members of the Board may not be increased from the numbers described in this Section, without the consent of Sponsor (or its designees) as owner of the Unsold Residential Units, for so long as there remain 2 Unsold Residential Units.

Sponsor will, for any period in which it controls the Board, have control of the Maintenance and operation of, and the services to be provided by, the Condominium to the Residential Units and will determine the Common Charges to be paid by all Residential Unit Owners.

The Board shall initially consist of 4 persons designated by Sponsor. The Board will call for a special meeting of the Residential Unit Owners to elect new Residential Board Members (the "First Annual Meeting") no later than 1 year after the First Closing unless more than 50% of the Residential Units are sold, in which case the First Annual Meeting will be called within 30 days after the sale of 50% of the Residential Units. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after the sending of the notice. Commencing with the First Annual Meeting, the Board shall consist of 6 individuals, 5 Residential Board Members and 1 Commercial Board Member.

Sponsor and its designees may exercise veto power over some actions of the Board. So long as Sponsor continues to own at least 25% in aggregate Common Interests in Residential Units, but in no event later than 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, Residential Common Elements, Residential Limited 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 working capital, reserve, contingency or surplus fund, (c) increase or decrease the number, or change the kind of, employees referred to in this 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 this Plan, except as is required to reflect normal annual increases in operating services, (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Residential Unit; provided, however, that Sponsor's prior written consent is not necessary to perform any function or take any action described in clauses (a) through (e) 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 (i) comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer. Sponsor may not exercise veto power over expenses described in the Projected Budget for the First Year of Condominium Operation.

In accordance with New York Business Corporation Law Section 713(a)(1), in the event that there are Members of the Board which are non-Sponsor designees and a vote of the Members of the Board is held as to whether to sue Sponsor, Sponsor designee Members of the Board will not vote on said issue.

BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Board. On or about the date which is 1 year after the First Closing, the Board will call for the First Annual Meeting of Residential Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date unless more than 50% of the Residential Units are sold, in which case the First Annual Meeting will be called within 30 days after the sale of 50% of the Residential Units. At the First Annual Meeting, the incumbent Board shall resign and the Residential Unit Owners shall elect 5 Residential Board Members, subject to the rights of Sponsor (or its designees) to designate (or nominate and elect) members. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, Residential Board Members shall be elected and shall serve until the next annual meeting thereof and until successors have been elected and qualified.

Except for Residential Board Members designated (or nominated and elected) by Sponsor or its designee, all Residential Board Members must be either Residential Unit Owners or certain parties (e.g., directors, shareholders of Residential Unit Owners) as described in the By-Laws. No Residential Board Member shall continue to serve on the Board if, during such Residential Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party. All Board members shall serve without compensation.

The Board shall 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.

Notwithstanding the foregoing, all matters pertaining solely to the Residential Units shall be determined solely by the Residential Board Members; matters pertaining solely to the Commercial Unit shall be determined solely by the Commercial Board Member; and matters pertaining to both the Residential Units and the Commercial Unit shall be determined by the Board including the Residential Board Members and the Commercial Board Member.

Annual meetings of Residential Unit Owners shall be held within approximately 30 days of each anniversary of the First Annual Meeting. At such meetings, the Residential Unit Owners shall elect the 5 Residential Board Members, subject to any rights of Sponsor (or its designees) to designate (or nominate and elect) Residential Board Members and the Commercial Unit Owner shall designate 1 Commercial Board Member. At the Annual Meetings, 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 Condominium to all Residential Unit Owners of record and the Commercial Unit Owner. The notice, which will generally be given at least 10 days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held. The notice shall explicitly state if there are any matters which pertain to the Commercial Unit. Except as otherwise provided in the By-Laws or Declaration, at all meetings of Residential Unit Owners, the presence in person or by proxy of Residential Unit Owners owning more than 50% of the Common Interests attributable to all Residential 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 Residential Unit Owners.

In all elections for Residential Board Members, each Residential Unit Owner (or such Residential Unit Owner's proxy) entitled to vote (including Sponsor with respect to Residential Units owned by Sponsor or its designee) shall be entitled to cast the total of votes equal to: (i) 1 vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Residential Unit Owner's Residential Unit, (ii) multiplied by the number of Residential Members to be elected to the Board; and to cast the votes represented by the product obtained by multiplying (i) by (ii) for a single Residential Member

or distribute them among the number of Residential Board Members to be voted for, or any 2 or more of them, as he may see fit.

The principal officers of the Board shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The initial members of the Board on behalf of the Residential Unit Owners shall be Joel Wiener, who shall serve as President and Treasurer of the Board, Adam Kaplan, who shall serve as Vice President, Darren Landy, who shall serve as Secretary and Elyse Ciarleglio, who shall serve as Assistant Secretary. Joel Wiener is a principal of Sponsor. Adam Kaplan, Darren Landy and Elyse Ciarleglio are each employees of Pinnacle Managing Co., LLC, an affiliate of Sponsor. The Board may appoint additional officers. 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.

The term of office of the members of the Board shall be for 1 year or until their successors are elected. Members of the Board shall serve without compensation. Any member of the 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 elected by the Residential Unit Owners may be removed with or without cause by an affirmative vote of a Majority of Residential Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Residential Unit Owners; provided, however, that Residential Board Members designated (or nominated and/or elected) 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 such Residential Unit Owner's term of office, said member shall cease to be a Residential Unit Owner or an interested party as described in Section 2.1 of the By-Laws; provided, however, that this provision respecting Residential Unit ownership and Board membership shall not apply to Residential Board Members designated (or nominated and elected) by Sponsor or its designee. Any Residential Board Member who is designated (or nominated and elected) as such by Sponsor (or its designee) may be removed by Sponsor at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member. Any Commercial Board Member who is designated by the Commercial Unit Owner may be removed by the Commercial Unit Owner at any time, with or without cause, and the Commercial Unit Owner shall have the right to designate the replacement for such member.

Upon the affirmative vote of a majority of the members of the Board, any officer (other than an officer designated (or nominated and elected) by Sponsor or its designee or the Commercial Unit Owner or its designee) 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.

The By-Laws provide that 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 any Common Element or Residential Common Element or Residential Limited Common Elements (except in their capacities as Residential Unit Owners). Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for such Board member's own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Residential 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.

Generally, subject to certain exceptions concerning, among other things, Sponsor, Unsold Residential Units and the Commercial Unit, and provided that required consents of the Mortgage

Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Residential Rules and Regulations affecting the Common Elements or all Residential 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 Residential Unit Owners; provided, however, that the Common Interest appurtenant to each Residential Unit may not be altered without the written consent of all Residential 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 Residential Rules and Regulations shall be effective in any way (a) without the prior written consent of Sponsor or its designee or the owner of any Unsold Residential Unit or the owner of the Commercial Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Residential 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 Residential Unit or the owner of the Commercial Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Residential Unit or the owner of the Commercial Unit or (b) without the prior written consent of the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Residential Unit or the Commercial Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Residential Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or the Commercial Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or the Commercial Unit.

As more particularly set forth in the Special Risk Section and the Section of this Plan entitled "Rights and Obligations of Sponsor," it is possible that a significant portion of Residential Unit Owners will not be residents of the Building and that a significant portion of occupants in the Building may not be Residential Unit Owners. Because there is no commitment on the part of Sponsor to sell more than 15% of the Residential Units, as needed to declare this Plan effective, owner-occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Residential Units. Even if the Plan is declared effective with 15% of the Units needed to declare this Plan effective, it is possible that Sponsor may be able to create a Condominium with fewer than the minimum number which are the subject of Agreements, if Purchasers counted towards effectiveness do not close title to their Residential Units. The By-Laws do not require that after the Sponsor Control Period a majority of the members of the Board be owner-occupants of a Residential Unit or members of owner-occupant's household who are unrelated to Sponsor and its principals. Owner-occupants and nonresident owners (including Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to purchase for investment.

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

Sales and Leases of Residential Units

Each Residential Unit Owner may sell or lease such Residential Unit Owner's Residential Unit provided such Residential Unit Owner (the "Transferor") first gives the Board notice of such Residential Unit Owner's intention to sell or lease such Residential Unit and an opportunity to purchase or lease such Residential Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in Article 8 of the By-Laws. If the Board does not elect to purchase or lease the Residential Unit within 30 days after receipt of the offering Residential Unit Owner's notice, the Transferor will have an additional 60 days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said 60 day period or such sale or lease is not consummated within an additional 60 days following the expiration of said 60 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, either or both of such 60 day periods. 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 Residential 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 lease approved by the Board which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws. Any lease entered into with a Residential Unit Owner, as landlord, should not be subject to state or local rent laws with respect to rent or other terms but will be subject to laws applicable to all rental leases in the State and City of New York such as requirements regarding warranties of habitability. Purchasers should refer to their own attorneys for guidance regarding their rights and obligations as a landlord under a lease for a Residential Unit.

Any purported sale or lease of a Residential Unit in violation of the By-Laws shall be voidable at the election of the Board.

In the event the Board exercises its right to purchase a Residential Unit, the Board shall utilize available funds in the Working Capital Fund or shall make a Special Assessment for such purpose. With respect to the right of first refusal, the Board may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. Please see "Residential Units Acquired by Board" in this Section of this Plan for further details regarding Residential Units acquired or leased by the Board.

A Residential Unit Owner may lease, sell or convey, gift devise or have pass by intestacy the Residential Unit to a spouse, life partner, adult child or grandchild, parent, grandparent or adult sibling, without complying with the foregoing restrictions; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Residential Unit Owner's Residential Unit shall be subject to, the preceding restrictions. In addition, any Residential Unit Owner may lease, sell or convey the Residential Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws. At present, a lease entered into by a Residential Unit Owner purchasing under this Plan is not subject to legal limitations

on the amount of rent which can be charged but such lease will be subject to various state and local laws governing tenancies (e.g., warranty of habitability). Purchasers are advised to consult with their own attorneys regarding the legal ramifications of leasing a Residential Unit.

The restrictions upon the sale and lease of Residential Units shall not apply to (i) Sponsor or its designee with respect to any Unsold Residential Units and Residential 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, or (ii) sale or lease of the Commercial Unit.

A Residential Unit Owner may only sell or lease such Residential Unit Owner's entire Residential Unit. In addition, each conveyance of a Residential Unit by a Residential Unit Owner shall include, as part of the property to be conveyed, such Residential Unit Owner's undivided interest in (a) the Common Elements and Residential Common Elements, (b) any Residential Unit or Residential Units acquired by the Board on behalf of all Residential Unit Owners, or any proceeds of the sale or lease thereof and (c) any other assets of the Condominium. No part of the Residential Unit Owner's interest in the Common Elements or Residential Common Elements may be sold, transferred or otherwise disposed of, except as part of a sale, transfer or other disposition of the Residential Unit or as part of a sale, transfer or other disposition of the specific interest in the Common Elements or Residential Common Elements by all affected Residential Unit Owners.

A Residential Unit may not be conveyed unless all unpaid Common Charges and liens against such Residential 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 Residential 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 Residential Unit, the Agreement prohibits a Non-Tenant Purchaser from listing such Residential Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent.

Use of Residential Units

Residential Units shall be used only as a residence (except as described below). The Board may, in its sole discretion, permit a Residential Unit to be used for other purposes, provided such use is permitted by Law, does not violate the existing certificate of occupancy and complies with all applicable governmental regulations. A Residential Unit Owner may only use such Residential Unit Owner's 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 building 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 such Residential Unit Owner's Residential Unit for a use violative of the By-Laws.

Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Board (a) use or grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, including, without limitation, use as a long or short term rental, timeshare or other use, provided such use is permitted by Law, does not violate the then existing certificate of occupancy, and the user of such Residential Unit complies with all applicable governmental regulations with respect to such use, and (b) retain ownership of 1 or more Residential Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Residential Units in the Condominium or in buildings in which principals of Sponsor may have an interest. Sponsor will not use Unsold Residential

Units as part of a timeshare without filing with the Department of Law in accordance with 13 N.Y.C.R.R. Part 24.

Each Residential Unit Owner shall notify the Managing Agent in writing when a child or children under the age of 10 years lives or resides (even temporarily) in the Residential Unit. Each Residential Unit Owner shall install at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall Maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in no event without full knowledge of the Managing Agent.

The current zoning Law permits a person who resides in a Residential Unit to use up to 25% of the floor area of such Residential Unit Owner's Residential 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 4 persons. No transient tenant (30 days or less) may be accommodated in a Residential Unit, except in Unsold Residential Units, as permitted by Law. At this time, Sponsor does not intend to lease to transient tenants; if in the future, Sponsor decides to lease to transient tenants, Sponsor will amend this Plan accordingly. Such home occupation use may only be engaged in with the consent of the Board or by Sponsor or its designee, as more particularly provided in the By-Laws.

No nuisance, immoral, improper, offensive or unlawful use, as determined by the Board, shall be allowed in the Condominium or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Residential 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 Residential Unit, except that these sign restrictions shall not apply with respect to Unsold Residential Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in or on the Building or the Property without prior written approval of the Board. No radio or television aerial, satellites or other similar device shall be erected by Residential Unit Owners on the roof or exterior walls or windows of the Building or on the Property. The foregoing restrictions shall not apply with respect to Sponsor (or its designees) or Unsold Residential Units or the Commercial Unit.

No pets other than dogs, caged birds, cats and fish (which do not are not reasonably expected to cause a nuisance, health hazard or unsanitary condition) may be kept in a Residential Unit without the written consent of the Board or the Managing Agent. In no event will a Residential Unit Owner be entitled to maintain more than 1 pet in any Residential Unit without the written consent of the Board. Each Residential Unit Owner who keeps any type of pet in such Residential Unit Owner's Residential Unit will be required to abide by any and all reasonable Residential Rules and Regulations of the Board adopted with respect thereto and may be required to enter into an agreement with the Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Residential Unit Owners and the Managing Agent from all claims and expenses resulting from the acts of such pet.

Each Residential Unit Owner shall keep such Residential Unit Owner's Residential Unit in a good state of preservation and cleanliness and each Residential Unit Owner shall be obligated to Maintain and keep in good order and repair such Residential Unit Owner's Residential Unit and Residential Limited Common Elements (if any) in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Residential Rules and Regulations concerning the use of Residential Units may be amended from time to time by the Board in accordance

with the By-Laws provided that copies thereof are furnished to Residential Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Unsold Residential Units or the Commercial Unit may be made unless agreed to by Sponsor or its designee or the Commercial Unit Owner, as applicable). Further restrictions on the use and leasing of Residential Units are set forth in the By-Laws and Residential Rules and Regulations.

Mortgage of Units by Residential Unit Owners

Each Residential Unit Owner may mortgage such Residential Unit Owner's Unit, provided that the conditions with respect thereto set forth in the By-Laws are complied with by such Residential Unit Owner. 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 such other form customarily used by lenders making loans secured by individual Residential Units, (b) the 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 such Residential Unit Owner's Unit, other than Permitted Mortgages.

In certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Residential Rules and Regulations. The By-Laws provide that no more than 3 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, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Residential Unit Owners and are included in their Common Charges, are allocated among Residential Unit Owners in proportion to their respective Common Interests. Common Charges shall also be deemed to include any Special Assessment imposed by the Board. The respective Common Interests of each Residential 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 Residential Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. Common Expenses include, among other things, all costs and expenses (including the payment of wages) in connection with the Maintenance and operation of the Common Elements and Residential 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 Residential Unit.

Each Agreement will contain a provision whereby the Non-Tenant Purchaser of a Residential Unit occupied by another irrevocably appoints the then Managing Agent of the Building (which Managing Agent may be replaced from time to time by the Board) as his, her or its agent, coupled with an interest, to provide, for the account and at the expense of the Non-Tenant Purchaser, all services and facilities required by Law on a non-discriminatory basis, to the Non-Purchasing Tenant who has a right to occupy the relevant Residential Unit until such time as said right to occupy terminates. In addition, each Non-Tenant Purchaser of a Residential Unit occupied by another agrees: (a) to deposit with the Managing Agent at the closing of title to the Residential Unit, an amount equal to not less than the greater of (i) 2 months' Common Charges or (ii) 2 months' rent for such Residential Unit to be used as working capital to furnish such services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a 30 day period. In the event such Non-Tenant Purchaser fails to so replenish such fund, the Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with the By-Laws. Sponsor shall guarantee the obligation of the Managing Agent to provide such services

and facilities until such time as Sponsor surrenders control of the Board. Each Non-Tenant Purchaser of a Residential Unit occupied by another will be required to indemnify Sponsor for all costs expended by Sponsor on such Non-Tenant Purchaser's behalf. The foregoing obligations of a Non-Tenant Purchaser do not apply to Sponsor.

Common Expenses which include, among other things, the costs and expenses incurred or projected (including the payment of wages) in connection with the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements and/or Residential Common Elements, and certain other expenses common to all Residential Unit Owners, such as premiums for insurance covering the Building, Managing Agent fees and legal and accounting fees, will be determined by the Board. The Board will allocate such expenses among the Residential Unit Owners in accordance with their respective Common Interests.

At least annually, the Board will prepare a budget for Common Expenses and will furnish copies of each budget on which Common Charges are based to all Residential Unit Owners and advise such Residential Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board, Common Charges will be payable monthly in advance on the first day of each month.

Common Charges: Collection and Lien for Non-Payment; Payment of Rent to Board

Under the provisions of the By-Laws, the Board, on behalf of all Residential Unit Owners, will have a lien on each Residential Unit for unpaid Common Charges together with interest thereon, assessed against such Residential Unit. Additionally, under the provisions of the Agreement and the By-Laws, the Board, on behalf of all Residential Unit Owners, will have a lien for unpaid Common Charges and interest on each Residential Unit occupied by a Non-Purchasing Tenant (other than a Residential Unit owned by Sponsor or a Sponsor designee) in the event that 30 days after notice that the deposit of a sum equal to not less than the greater of (i) two (2) months' Common Charges or two (2) months' rent to be used as working capital to furnish services and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL has not been replenished. 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 Residential Unit. Any lien for unpaid Common Charges against a Residential 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 6 year from the date of filing (unless foreclosure of such lien is started within such 6 year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Board (acting on behalf of all Residential Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Board to recover unpaid Common Charges without foreclosing such lien.

No Residential Unit Owner may exempt such Residential Unit Owner from liability for such Residential Unit Owner's Common Charges by waiving use of any of Common Elements or Residential Common Elements or by abandonment of such Residential Unit Owner's Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property or the degree to which the construction in the Building shall have been complete shall not be grounds for a Residential Unit Owner withholding or failure to pay all or any portion of the Common Charges or any other assessments. No Residential Unit Owner, however, will be liable for the payment of any part of the Common Charges assessed against such Residential Unit Owner's Residential Unit subsequent to a permissible sale, transfer or other conveyance by such Residential Unit Owner of such Unit. In addition, as more specifically set forth in the By-Laws, a Residential Unit Owner may, by conveying such Residential Unit Owner's

Residential Unit without consideration to the Board and complying with certain conditions in connection therewith, exempt such Residential Unit Owner from Common Charges thereafter accruing.

On a resale of a Residential Unit, the purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Residential Unit prior to such Residential Unit Owner's acquisition. Prior to the permissible sale, transfer or other conveyance of a Residential Unit, any seller or purchaser of a Residential 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 Residential Unit and neither such seller nor purchaser shall be liable for, nor shall the Residential Unit be conveyed subject to a lien for, any unpaid Common Charges against such Residential 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 Residential 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 Residential Unit is acquired by a mortgagee or purchaser in foreclosure, the Residential Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee acquiring title to a Residential Unit at foreclosure sale nor (b) a purchaser of a Residential Unit at a foreclosure sale shall be liable, and the Residential Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Residential 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 Residential Unit. The Board will have the right to assess such unpaid balance as a Common Charge among all Residential Unit Owners.

RPL §339-z is applicable to all condominiums in the State of New York. RPL §339-z provides a board of managers, on behalf of the unit owners, a lien on each unit for the unpaid common charges thereof, together with interest thereon, prior to all other liens except only (i) liens for taxes on the unit in favor of any assessing unit, (ii) all sums unpaid on a first mortgage of record and (iii) all sums unpaid on a subordinate mortgage of record held by the New York Job Development Authority, the New York State Urban Development Corporation, the Division of Housing and Community Renewal, the Housing Trust Fund Corporation, the New York City Housing Development Corporation, or in a city having a population of 1,000,000 or more, the Department of Housing, Preservation and Development. Upon the sale or conveyance of a unit, such unpaid common charges shall be paid out of the sale proceeds or by the grantee. Any grantor or grantee of a unit shall be entitled to a statement from the manager or board of managers, setting forth the amount of the unpaid common charges accrued against the unit, and neither such grantor nor grantee shall be liable for, nor shall the unit conveyed be subject to a lien for, any unpaid common charges against such unit accrued prior to such conveyance in excess of the amount therein set forth.

RPL §339-kk, a copy of which is set forth in Part II of this Plan, was enacted into law July 22, 1998. RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant Residential Unit Owner of a Residential Unit fails to make monthly payments for common charges, assessments and late fees due in connection with such owner's Residential Units. Please refer to the Section of this Plan entitled "Rights and Obligations of Sponsor" under the subsection entitled "Real Property Law Section 339-kk" for further details.

RPL §339-jj-Borrowing by Condominium

New York State Real Property Law Section 339-jj authorizes the Board to incur debt provided that such debt (a) is incurred no earlier than the 5th anniversary of the First Closing and (b) is approved by Residential Unit Owners owning Residential Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Board cannot

secure such debt by a lien on the Common Elements or Residential Common Elements without the consent of all Residential Unit Owners.

Repairs to and Maintenance of Residential Units and Common Elements

Generally, all painting, decorating and routine Maintenance, (a) in or to any Residential Unit, including any Residential Limited Common Elements and the interior side of entrance doors thereto, will be made by the owner of such Residential Unit at such Residential Unit Owner's sole cost and expense, and (b) in or to the Common Elements and Residential Common Elements (including the Superintendent's Apartment) will be made by the Board and the cost and expense thereof will be charged to all Residential Unit Owners as a Residential Common Expense.

As set forth in the By-Laws, the interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and interior glass surfaces are to be washed and cleaned by the Residential Unit Owner at such Residential Unit Owner's sole cost and expense. The exterior glass surface of all windows appurtenant to a Residential Unit may, at the option of the Board, be washed and cleaned by the Board and the cost thereof shall be a Residential Common 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 Residential Unit Owner of such Residential Unit (unless such breakage is caused by the Board or the negligence of any other Residential Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such Residential Unit Owner). No replacement, modification or alteration may be made to or of the windows (other than replacement of the window panes) without the consent of the Board.

The By-Laws provide that each Residential Unit, Residential Limited Common Element and all portions of the Common Elements and Residential Common Elements shall be kept in good condition (and with respect to the roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water which will cause damage to the Building) by the Residential Unit Owner or the Board, whichever is responsible for the Maintenance thereof. In the event any Residential Unit Owner fails to keep such Residential Unit Owner's Residential Unit and/or Residential Limited Common Element in such condition, the Board may, at the expense of such Residential Unit Owner, enter such Residential Unit and/or Residential Limited Common Element and perform such acts as are necessary to cure such default. (See the Section of this Plan entitled "Rights of Access.") A Residential Unit Owner shall not permit excessive noise or vibrations to emanate from the Residential Unit and/or Residential Limited Common Element. In the event that any maintenance, repair and/or replacement to the Property or any part thereof is substantially necessitated by the negligence, misuse or neglect of any Unit Owner, or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner.

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 Residential Unit Owner or the Board, be kept in good appearance by such Residential Unit Owner or the Board.

In addition, the Residential Rules and Regulations require that at least 80% of the floor area of Residential Units (except for kitchens, pantries, bathrooms, closets and foyers) be covered with rugs, carpeting or equally effective noise-reducing material.

Alterations and Improvements of Residential Units

No Residential Unit Owner may make any alteration, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit (structural or otherwise) 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 Residential

Unit. The Board may impose fees upon a Residential Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of the Residential Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of an alteration, addition, improvement or repair in or to a Residential Unit, the Board shall have the right to reasonably approve the Residential Unit Owner's contractors and suppliers and may, at its option, require the Residential 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. In addition, the Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Residential Unit or to contribute to the Condominium the sum necessary to enable the Condominium to perform such replacements.

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.

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 Residential Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to a contractor, subcontractor, materialman, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. Under the terms of the By-Laws, Sponsor and its designee are 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 Building (including the Units and Common Elements and Residential Common Elements and Residential Limited Common Elements) as Sponsor and its designee are 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 and the Board, if requested by Sponsor or its designee, is obligated to execute the aforesaid documentation. In addition, the Power of Attorney to be executed by each Residential Unit Owner upon acquisition of the Residential Unit further grants to Sponsor a power of attorney to execute such documentation. "Required Documentation" refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents that may be required to enable Sponsor to exercise its rights or obligations under this Plan or the Declaration and the By-Laws, including, without limitation, Sponsor's right to undertake, perform and complete any work to the Unsold Residential Units and Common Elements and Residential Common Elements and Residential Limited Common Elements and the Commercial Unit.

Local Law 1 of 2004

The use of lead paint has been banned since 1960. Any housing built before 1978, however, may contain lead based paint. Based on the age of the Building, it is presumed that there is lead paint and/or lead based hazards in the Building. A landlord's obligations as they relate to determining the existence and remediation of lead paint in residences classified as multiple dwellings and located in New York City are governed by the New York Childhood Lead Poisoning Prevention Act of 2003, also known as Local Law 1 of 2004. This law replaced Local Law 1 of 1982, as well as Local Law 38 of 1999, which previously had been struck down by the New York State Court of Appeals. Under existing law, landlords must inspect every apartment occupied by a child under the age of 6 for conditions that may cause lead exposure, and if found, correct them. Landlords must verify whether a child under the age of 6 resides in an apartment and if so, conduct an inspection at least annually, and more often if necessary, for lead paint hazards. The

landlord is required to investigate the circumstances if any tenant does not respond to the inquiry as to the presence of children. Landlords must look for peeling paint, evidence of friction or chipping, and underlying conditions that may cause paint to peel, and promptly correct any hazard. The landlord has a duty under the law to inspect the apartment as well as all common areas for the presence of lead-based paint hazards, and to remove or cover all lead paint on friction surfaces and to replace window slides and panes on friction surfaces containing lead paint. Landlords must provide written notice to the tenant of the landlord's obligation to inspect for and repair lead-paint hazards and the tenant's obligation to provide access to their apartment.

The obligations under Local Law 1 of 2004 apply to a Residential Unit Owner who purchases an occupied unit, as well as to a Residential Unit which was vacant but becomes occupied by a tenant subsequent to its purchase. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint or whether Local Law 1 of 2004 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead-based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 or any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Residential Unit Owner and the actions a Unit Owner may be required to take thereunder. Residential Unit Owners shall be deemed "owners" of their respective Residential Units with the obligation to comply with the requirements of all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint.

Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Based on the age of the Building, it is presumed that there is lead paint and/or lead based hazards in the Building. However, except as set forth in the Architect's Report included in Part II of this Plan, Sponsor is not aware of, and has no records or materials pertaining to, any lead-based paint or lead-based hazards in the Building that need to be remedied. Sponsor will comply with applicable Law concerning the use of lead-based paint.

Rights of Access

As more fully set forth in the By-Laws, the Board and any managing agents, managers, superintendents, resident manager (if any) and other persons authorized by the Board, will have a right of access to any Residential Unit and/or Residential Limited Common Element for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements or Residential Common Elements in the Residential Unit and/or Residential Limited Common Element or elsewhere in the Building, to remove violations, cure defaults by a Residential Unit Owner, correct any condition originating in any Residential Unit and/or Residential Limited Common Element and threatening another Residential Unit or any Common Element or any Residential Common Element, and for any other purposes provided in this Plan, the Declaration or as may be required by Law, provided that requests for entry (except in Emergency situations) are made in advance and that any such entry (except in Emergency situations) is at a time reasonably convenient to the Residential Unit Owner and the tenants of any Residential Unit. In case of an Emergency, such right of entry shall be immediate, whether the Residential Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Residential 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 Residential Unit for the purpose of performing its obligations under this Plan.

Compliance with Terms of Declaration, By-Laws and Residential Rules and Regulations

Each Residential Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws and the Residential 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 Residential Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

Each Residential Unit Owner and each mortgagee of a Residential 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. See Section 7.4 of the By-Laws of the Condominium.

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 Common Elements or Residential Common Elements, will, except as set forth below, arrange for the prompt repair and restoration thereof.

If there is damage or destruction by fire or other casualty to the Common Elements 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 Residential 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 Residential Unit Owner until there has first been paid out of such Residential Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on such Residential Unit Owner's 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.

Unless the Residential Unit Owners have elected not to restore the Building as provided below, damage or destruction to a Residential Unit or a Residential Limited Common Element as a result of fire or other casualty shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) where such repair or reconstruction does not involve the Common Elements, for which the repair or reconstruction is the obligation of the Board under the Declaration and By-Laws. If a Residential Unit Owner fails to repair or reconstruct such Residential Unit Owner's Residential Unit or Residential Limited Common Element, the Board may cause the Residential Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be charged to the defaulting Residential Unit Owner as a Special Assessment.

If 75% or more of the Building is destroyed or substantially damaged and if 75% or more in Common Interest of all Residential 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 Residential 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 Residential Unit Owners and the Commercial Unit Owner in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Residential Unit Owner until there has first been paid out of such Residential Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on such Residential Unit Owner's Residential Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

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 in the event of a loss amounting to \$1,000,000 or less. In the event that such proceeds are in excess of \$1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Board as insurance trustee pursuant

to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The 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 Residential 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, all Residential Unit Owners, the Commercial Unit Owner 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 Common Charges for 1 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 Residential Unit Owner and the Commercial 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 Residential 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 10 days' prior written notice to all of the insureds, including all Residential Unit Owners, the Commercial Unit Owner 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 Residential Unit Owner and the Commercial Unit Owner, except that such policy will not cover liability of a Residential Unit Owner arising from occurrences within such Residential Unit Owner's own Residential Unit or within the Residential Limited Common Elements, if any, exclusive to such Residential Unit Owner's 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 Residential 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 coverage for cross-liability claims of 1 insured against another. Any insurance maintained by the Board may provide for such deductible amounts as the Board determines. The premiums for all insurance referred to above shall be a Common Expense.

The Board is not required to obtain or maintain any insurance with respect to the Residential Units or Residential Limited Common Elements or any personal property contained in a Residential Unit or Residential Limited Common Element, including in a Storage Locker. Pursuant to the By-Laws, each Residential Unit Owner shall, at the Residential 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 Residential Unit or Residential Limited Common Element or any part thereof with minimum combined single limits of liability of \$1,000,000 for bodily injury or death arising out of any 1 occurrence, including \$1,000,000 for damage to property, and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon or from the Residential Unit or any part thereof (including, but not limited to, appropriate coverage for additions, alterations, improvements and betterments and loss due to water damage). The policies shall provide that they cannot be canceled without at least 30 days' prior notice to the Board. The limits of liability set forth in (a) and (b) above may be increased by the Board from time to time. In the event a Residential Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Board, as required, the Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Residential Unit Owner or (ii) impose such fines and penalties as the Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Residential Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Residential Unit Owner.

Liability of Board of Managers 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 Residential Unit Owners or all Unit Owners, as the case may be, and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Residential Unit Owners) and (b) the liability of any Residential 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 Residential Unit Owner bears to the aggregate Common Interests of all Residential Unit Owners or the aggregate Common Interest of all 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 Residential Unit Owner's interest in such Residential Unit Owner's Residential Unit and its appurtenant Common Interest. To the extent permitted by applicable Law, Board members shall have no liability to Residential Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Residential Unit Owners shall severally, to the extent of their respective interests in their Residential 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. The Board may contract or effect any transaction with any Board member, any Residential 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.

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 80% in number and in Common Interest of all Residential 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 5 years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Residential Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale

shall be divided among all Residential Unit Owners and the Commercial Unit Owner in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Residential Unit Owner to the payment of any liens on such Residential Unit Owner's Residential Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Residential Units Acquired by the Board

All Residential Units acquired or leased by the Board or its designees shall be held by the Board, or its designee, on behalf of all Residential Unit Owners, and the rent or purchase price, closing costs and adjustments payable in connection therewith shall be assessed against all Residential Unit Owners. No Residential Units held by the Board shall carry any voting rights.

The purchase of any Residential Unit by the Board or its designees, on behalf of the Residential 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 Residential Unit Owner, in proportion to such Residential Unit Owner's respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Residential Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review Real Estate Tax Assessments

The Board on behalf of and as agent for all Residential Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Residential Units. All Residential Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Residential Unit Owner individually seeks to have the assessed valuation of such Residential Unit Owner's Residential 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 Residential Unit Owner in pursuing, such reduction, provided that such Residential Unit Owner indemnifies the Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. The Residential Unit Owners will have the right to commence certiorari proceedings on their own at their sole cost and expense.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements, or Residential Common Elements or Residential Limited Common Elements except with the unanimous consent of all Residential Unit Owners affected thereby. Liens may arise or be created against only the individual Residential Units and their respective Common Interests. Labor performed on, or materials supplied to, a Residential Unit may not be the basis for a mechanic's lien against the Residential Unit of a Residential 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, Residential Common Elements or Residential Limited Common Elements shall be the basis for a lien thereon but 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, Residential Common Elements or the Residential Limited Common Elements

Easements and Name of Condominium

In order to facilitate the operation and Maintenance of the Building and the sale or leasing of Residential Units therein, each of the Residential Units and Residential Limited Common Elements will be subject to certain easements including easements in favor of Sponsor, the Commercial Unit Owner, other Residential Unit Owners and the Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements and the Residential Common Elements, and an easement in favor of each Unit Owner to use the Common Elements and Residential Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes. Sponsor shall have an easement, and the right to grant easements to 1 or more third parties, to erect and Maintain lights and lighting fixtures and to erect and Maintain satellite communication equipment and similar equipment, as permitted by Law, on the roofs and Facade of the Property and elsewhere on the Common Elements and Residential Common Elements and Residential Limited Common Elements which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and its designees and the Commercial Unit Owner shall have an easement to Maintain any signs, awnings, canopies, banners, flags, pennants, aerials, antennas or the like 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 the "The Crown12 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 the Board or any Residential Unit Owner. In addition, Sponsor shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Sponsor as the sponsor of the condominium offering, together with such other information as Sponsor determines in its sole discretion.

The Declaration and By-Laws

A copy of the Declaration and a copy of the By-Laws are set forth in Part II of this Plan. A prospective Purchaser should read this Plan in its entirety including the Declaration and By-Laws.

REAL ESTATE TAXES

Each Residential Unit will be taxed as a separate tax lot for real estate tax purposes, and no Residential Unit Owner will be responsible for payment of, nor will the Residential 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 is recorded. Until the Units are separately assessed and billed, each Residential Unit Owner shall pay to the Board as Common Charges such Residential Unit Owner's pro rata share (in the proportion that such Residential Unit Owner's Unit's Common Interest bears to the aggregate Common Interest of all Residential Units) of all real estate taxes with respect to the Property.

The New York City real estate taxes for the Units for the first year of Condominium operation following the First Closing, which have been estimated by Sponsor to be approximately \$193,225 (Residential Units and Commercial Unit) are based upon (i) an estimated transitional assessed valuation of the Property (inclusive of the Commercial Unit) of \$1,519,180 for the first year of Condominium operation, commencing July 1, 2018, with any increases in the Property's assessed valuation from prior years phased in over 5 years in equal annual increments of 20% and (ii) a tax rate of \$12.7190 per \$100 of assessed valuation for the Units. The estimated tax rate for the first year of operation assuming commencement on or about July 1, 2018 does not assume any increase in the current tax rate.

The value of the Property for real estate tax purposes is determined annually by the Real Property Assessment Department of the City of New York. Under current Law, increases or decreases in a property's assessed valuation due to changes in its market value are to be phased in over 5 years in equal annual increments of 20%. Any further increase or decrease in the assessed value during such 5 year period resulting from a still higher or lower market value is to be similarly phased in over an additional 5 year period from the date of such increase. The full increased or the decreased assessed value targeted to be paid at the end of 5 years is called the "actual assessed valuation." The amount of assessed value reflecting the phased-in increases or decreases is called the "transitional assessed valuation." Taxes are paid on the lower of the Transitional Assessed Valuation or the Actual Assessed Valuation. The assessed valuations and tax rates for the 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19 tax years are as follows:

Tax Year	2014/15	2015/16	2016/17	2017/18	2018/19 (Estimate)
Transitional Assessment	\$1,183,050	\$1,292,400	\$1,411,380	\$1,468,330	\$1,519,180
Actual Assessment	\$1,289,250	\$1,478,250	\$1,619,550	\$1,631,700	\$1,631,700
Taxes Based On	\$1,183,050	\$1,292,400	\$1,411,380	\$1,468,330	\$1,519,180
Tax Rate Per \$100	12.8550	12.8550	12.8920	12.7190	12.7190
Taxes Payable	\$152,081	\$166,138	\$181,956	\$186,757	\$193,225

No representation is made or warranty given as to: (a) whether or not there will be (i) a further increase or decrease in the assessed valuation of the Property during the 5 year phase-in period, (ii) an increase in the tax rate, or (iii) an increase or decrease in the assessed valuation of the Property by reason of the conversion of the Property to condominium ownership, (b) the method of determining the assessed valuation, or (c) the amount of any increase or decrease in the assessed valuation of the Property. A Purchaser purchasing a Residential Unit after the projected first year of Condominium operation should check the public tax records to confirm the then current taxes for the Property.

Section 581 of the Real Property Tax Law provides that real property owned on a condominium basis shall be assessed for real estate tax purposes at a sum not exceeding the assessment which would be placed thereon if the property were not owned on a condominium basis. Section 339-y of the Condominium

Act provides in part that each Unit and its Common Interest shall be separately assessed for tax purposes and that in no event shall the aggregate of the assessment of the Units plus their Common Interests exceed the total valuation of the Property were the Property assessed as 1 parcel.

The New York City tax assessor may allocate taxes between the Residential Units in proportion to each Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, Residential Units having the same or similar percentage interest which are determined to have a higher purchase price or market value will pay higher real estate taxes than are reflected on Schedule A. After the Condominium is divided into individual tax lots and separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and the Unit Owner will not be responsible for the payment of, nor will the Unit be subject to, any lien arising from the non-payment of taxes on other Residential Units. Until the Residential Units are separately assessed, the Board will pay all real estate taxes with respect to the Property and will allocate the cost thereof among all Unit Owners in proportion to each Unit's Common Interest. See the Section of this Plan entitled "Real Estate Taxes" for further discussion.

The Property is not subject to J-51 benefits.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE RESIDENTIAL UNITS OR THE TAX RATE APPLICABLE THERETO IS ACCURATE OR WILL NOT BE CHANGED.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (I) REGARDING THE METHOD OF ALLOCATING REAL ESTATE TAXES WHICH WILL BE EMPLOYED BY THE NEW YORK CITY TAX ASSESSOR; (II) OF THE ASSESSED VALUE OF THE RESIDENTIAL UNITS DURING THE FIRST YEAR OF CONDOMINIUM OPERATION; OR (III) OF THE TAX RATES IN EFFECT DURING THE FIRST YEAR OF CONDOMINIUM OPERATION.

The By-Laws provide that the Condominium is entitled to execute and deliver documents necessary in connection with proceedings to obtain reduced real estate tax assessments with respect to Residential Unit Owners, for the benefit and on behalf of (i) all Residential Unit Owners, or (ii) for individual Residential Unit Owners, provided that each such Residential Unit Owner indemnifies the Board from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

INCOME TAX DEDUCTIONS TO RESIDENTIAL UNIT OWNERS AND TAX STATUS OF CONDOMINIUM

The following discussion of certain income tax consequences of the ownership of Residential Units by Purchasers who use such Residential Units as a personal residence was prepared by Sponsor based, in part, upon the Attorney's Income Tax Opinion prepared by Pryor Cashman LLP, counsel to Sponsor, a copy of which is set forth in Part I of this Plan.

PRYOR CASHMAN LLP IS COUNSEL TO SPONSOR AND NOT THE RESIDENTIAL UNIT OWNERS. EACH PURCHASER SHOULD CONSULT SUCH RESIDENTIAL UNIT OWNER'S OWN TAX COUNSEL AS TO THE TAX CONSEQUENCES OF RESIDENTIAL UNIT OWNERSHIP UNDER THIS PLAN.

Deductibility of Mortgage Interest and Real Estate Taxes

Each Residential Unit Owner will own such Residential Unit Owner's Residential Unit and its appurtenant interest in the Common Elements in fee simple and each Residential Unit will be a separate tax lot for purposes of New York City real estate taxes and assessments. Since each Residential Unit Owner will own such Residential Unit Owner's Residential Unit in fee simple, the owner may mortgage such Residential Unit and become individually liable for the payment of the principal and any finance charges or interest on such mortgage indebtedness.

It is the opinion of Pryor Cashman LLP that, under current law, a Residential Unit Owner who uses such Residential Unit Owner's Residential Unit as a personal residence and itemizes such Residential Unit Owner's deductions will 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 in the year of accrual 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 under current law mortgage interest is deductible generally only with respect to (i) secured debt used to acquire or substantially improve a principal or second residence (up to a total indebtedness of \$1,000,000) ("acquisition indebtedness"), plus (ii) other debt (not in excess of \$100,000) secured by a principal or second residence ("home equity indebtedness"). Interest on home mortgage debt in excess of those limitations is not deductible. Special limitations also apply with respect to the deductibility of points and other prepaid interest, if any, on the mortgage debt and the overall allowance of itemized deductions.

On November 16, 2017, the United States House of Representatives passed H.R. 1 the "Tax Cuts and Jobs Act" (the "House Bill"), and on December 2, 2017 the United States Senate passed its version of H.R. 1 (the "Senate Bill"). Both the House Bill and the Senate Bill significantly curtail the federal deduction for real estate taxes assessed and paid to a local tax authority with respect to a personal residence and eliminate the federal deduction for interest paid on home equity indebtedness. In addition, the House Bill would limit the federal deduction for mortgage interest to a maximum of \$500,000 of acquisition indebtedness and require that such interest be attributable to indebtedness which is secured by a taxpayer's principal residence only. As currently proposed, the changes described in this paragraph would be effective for tax years beginning after December 31, 2017.

Both the House Bill and the Senate Bill are subject to revision as a result of future legislative action. Purchasers of the Residential Units should consult their tax advisers regarding the potential tax law changes that may be relevant to their purchase and ownership of Residential Units.

Taxation of the Condominium

If the Condominium meets the requirements for qualification as a “homeowners association,” under Section 528 of the Internal Revenue Code, which requirements are discussed in the Attorney’s Income Tax Opinion, it may elect not to be subject to Federal income tax on amounts received as membership dues, fees or assessments from Residential Unit Owners. If such an election is made, the Condominium will remain liable for Federal income tax on any taxable income it may have from other sources, such as income in connection with the provision of laundry facilities, if any, and interest earned on any reserve funds (less expenses directly connected with the production of such income). Schedule B – Projected Budget for First Year of Condominium Operation, does not contemplate any substantial income which might be taxable and accordingly does not budget any amounts for taxes for non-membership or membership income.

Sponsor anticipates that the Condominium will qualify as a homeowners association. If the Condominium does not qualify as a homeowners association, or if it does but chooses not to make the election noted above, the present state of the Law is uncertain as to the tax treatment of any income of the Condominium in excess of appropriate deductions and credits. As discussed in the Attorney’s Income Tax Opinion, the tax authorities may take the position that the Condominium is a separate taxable entity and that some or all of such income (including the non-membership, and possibly membership, income described above less expenses related to such income) is subject to Federal corporate income tax, New York State Corporation Franchise Tax and New York City Business Corporation Tax or Unincorporated Business Tax. Alternatively, it is possible that some or all of such income might be reportable directly by the Residential Unit Owners. The tax treatment of the Condominium may be affected by certain United States Treasury Department regulations relating to entity classification.

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 New York City Department of Finance 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 Pryor Cashman LLP, as counsel to Sponsor, bases its opinion, will not change. In no event will Sponsor, Pryor Cashman 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 gives any warranties with respect to the tax consequences of this Plan or the tax consequences of ownership of any Residential Units offered under this Plan, and no one has been authorized to give any warranties.

ATTORNEY'S INCOME TAX OPINION



December 12, 2017

12 Realty Associates LLC
 One Penn Plaza, Suite 4000
 New York, NY 10119

Re: The Crown12 Condominium
 12-34 Crown Street, Brooklyn, New York 11225

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 City who purchase the offered Residential Units for their own residential use pursuant to the Condominium Offering Plan (the "Plan") for The Crown12 Condominium (the "Condominium"), 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 the ownership of Residential Units by corporations, other entities or foreign persons. Furthermore, this opinion does not address the tax consequences of (i) ownership of any Unsold Residential Units or any Residential Unit that is used for commercial or mixed residential/commercial purposes, or (ii) any rebates or other payments that may be made, or benefits provided, to owners of Residential Units. Except where otherwise indicated, the capitalized 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.

I. Deductibility of Mortgage Interest and Real Estate Taxes

We understand that 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 Residential 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 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 used as a personal residence 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 (Part I) C.B. 300.

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Accordingly, based on the foregoing and subject to the next sentence, it is our opinion that, under current law, an owner of a Residential Unit who itemizes deductions and who uses his or her Residential Unit as a personal residence 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 may be in effect under Section 68 of the Code, real estate taxes assessed against his or her Residential Unit and paid to the local tax authority. However, no deduction for real estate taxes is permitted for purposes of the Federal alternative minimum tax. 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.

Purchasers are advised that an exemption from real estate taxes may be available for veterans and other purchasers under the New York State Real Property Tax Law, as amended, and various codes, rules and regulations of the City of New York. Prospective purchasers are advised to consult with their own attorneys or other advisers to determine whether the prospective purchaser qualifies for any exemption from real estate taxes.

Under current law, 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. 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 current law, to deduct from his or her gross income for Federal income tax purposes, subject to an overall limitation on itemized deductions as may be in effect under 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 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 and on any overall limitation on the allowance of itemized deductions.

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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. 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. 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.

On November 16, 2017, the United States House of Representatives passed H.R. 1 the "Tax Cuts and Jobs Act" (the "House Bill"), and on December 2, 2017 the United States Senate passed its version of H.R. 1 (the "Senate Bill"). Both the House Bill and the Senate Bill significantly curtail the federal deduction for real estate taxes assessed and paid to a local tax authority with respect to a personal residence and eliminate the federal deduction for interest paid on home equity indebtedness. In addition, the House Bill would limit the federal deduction for mortgage interest to a maximum of \$500,000 of acquisition indebtedness (\$250,000 in the case of a married individual filing a separate return) and require that such interest be attributable to indebtedness which is secured by a taxpayer's principal residence only. As currently proposed, the changes described in this paragraph would be effective for tax years beginning after December 31, 2017.

Both the House Bill and the Senate Bill are subject to revision as a result of future legislative action. Purchasers of the Residential Units should consult their tax advisers regarding the potential tax law changes that may be relevant to their purchase and ownership of Residential Units.

II. Taxation of the Condominium

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 income in connection with the provision of laundry facilities, interest earned on any reserve funds and any amounts received from persons who are not owners of a Residential Unit (less expenses directly connected with the production of such income).

To qualify as a homeowners association, the Condominium may elect to be treated as a homeowners association for each year that it meets 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) 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), (3) at least 60% of its gross income for the taxable year must consist solely of amounts received as membership dues, fees or assessments from Residential Unit Owners, (4) 90% or more of its expenditures for the taxable year must be made for the acquisition, construction, management, maintenance and care of association property, and (5) at least 85% of the total square footage of all Units within the Condominium must be used by individuals

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for residential purposes. See Section 528(c)(1) of the Code and Treasury Regulation § 1.528-4(b). The qualification of an organization under the provisions of Section 528 of the Code 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 upon the foregoing and assuming (i) the Plan becomes effective during the taxable year ending December 31, 2018 (the “2018 Taxable Year”), (ii) the actual gross income and expenditures of the Condominium for the 2018 Taxable Year are the same as (or, if such year is a short taxable year, are in the same proportions as) the estimated gross income and expenditures for the Condominium’s first full year of operations, as set forth in Schedule B to the Plan, (iii) the Condominium otherwise operates in accordance with the terms of the Plan and the Plan Documents, (iv) at least 85% of the total square footage of all Units of the Condominium will be used by individuals for residential purposes, and (v) there are no changes in the facts or the relevant provisions of current law, the Condominium will be eligible to elect to be treated as a homeowners association under Section 528 of the Code for the 2018 Taxable Year.

Absent the application of Code Section 528, the present state of Federal income tax 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 but there is no authority addressing the application of those entity classification regulations to condominium associations. Because the By-Laws of the Condominium provide that the Board will act as the agent of the Residential Unit Owners represented by such Board, the 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 Residential 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, among other things, interest or similar income earned from interim investments of the amounts assessed and collected from the Residential 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 with respect to the Residential Unit Owners. If, however, the Condominium is considered a separate entity it may be taxable as a corporation or treated as a partnership for Federal income tax purposes. Under the entity classification regulations, the Condominium would be able to elect to be treated as a corporation for Federal income tax purposes if it files Form 8832 with the IRS within 75 days of its formation. If such election is not made, then the Condominium would be treated as a partnership for Federal income tax purposes if it is considered a separate entity. 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 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 Residential 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, it appears likely that the Condominium would be subject to the New York State Corporation Franchise Tax and the New York City Business Corporation Tax. If

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the Condominium does not elect to be treated as a corporation for Federal income tax purposes, it is still possible, although not certain, that the Condominium might be subject to the New York State Corporation Franchise Tax. Further, in such event, the Condominium likely would be subject to the New York City Unincorporated Business Tax on its entire income (less expenses properly allocable to such income), unless it were eligible for and elected treatment under Section 528 of the Code 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 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 Sponsor, Pryor Cashman 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 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.

This opinion is intended solely for your benefit in connection with the transactions contemplated hereby and may not be relied upon by any other person or entity or for any other purpose without our prior written consent. We hereby authorize the use of this opinion, or a reproduction thereof, in the Plan and references to our name in the Plan. This opinion is given as of the date hereof and we assume no obligation to advise you of changes that may hereafter be brought to our attention.

Very truly yours,



RESERVE FUND

The New York City Council enacted Local Law No. 70 which amends Chapter 51 of the Administrative Code of the City of New York (the "Reserve Fund Law"), the full text of which is set forth in Part II of this Plan. The Reserve Fund Law requires the sponsor of an offering plan for the conversion of a building from rental to condominium status to establish a reserve fund (the "Reserve Fund") to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such building. The Reserve Fund shall be in addition to the Working Capital Fund to be funded at each Closing by Purchasers.

Sponsor shall, within 30 days after the First Closing, establish and transfer to the Board a Reserve Fund in an amount equal to either:

(i) 3% of the sum of the cost of all Residential Units offered for sale pursuant to this Plan at the last price which was offered to tenants in occupancy of the Building prior to the effective date of this Plan regardless of the number of sales made (the "Total Price"), or

(ii) (A) 3% of the actual sales prices of all Residential Units offered for sale pursuant to this Plan which are sold by Sponsor at the effective date of this Plan; provided, however, that if such amount is less than 1% of the Total Price, then the Reserve Fund shall be established as a minimum of 1% of the Total Price; plus

(B) supplemental contributions to be made by Sponsor at a rate of 3% of the actual sales price of Residential Units for each Residential Unit offered for sale under this Plan held by Sponsor and sold to bona fide purchasers subsequent to the effective date of this Plan and within 5 years of the First Closing notwithstanding that the total amount contributed may exceed 3% of the Total Price; and provided, further, that if 5 years from 30 days after the First Closing, the total contributions by Sponsor to the Reserve Fund are less than 3% of the Total Price, Sponsor shall pay the difference between the amount contributed and 3% of the Total Price. The supplemental contributions made under this subparagraph (B) shall be made within 30 days of each sale of a Residential Unit under this Plan.

The Reserve Fund may not be reduced by closing adjustments but Sponsor is entitled to take a credit against the Reserve Fund for the actual cost of capital replacements commenced in the Building after this Plan is submitted for filing to the Department of Law and before this Plan is declared effective. Sponsor may engage 1 or more contractors to perform the following qualifying work for a possible credit against the Reserve Fund (at the following approximate costs):

(a) various areas of all facades conditions of cracked brick, diagonal cracking of parapets, spalling brick, cracked, loose and dislodging stucco and deterioration of terra cotta copings to be addressed (estimated cost \$262,000);

(b) some sections of parapet walls enclosing the main roof level were observed to be less than the minimum height necessary to comply with the NYC Building Code, to remedy the condition installation of new side mounted railings 42 inches in height is advised at all parapet wall segments which are less than 36 inches in height (estimated 250 linear feet @ \$150 ft. = \$37,500);

(c) cracking of the concrete ceiling slabs as well as rust/corrosion of steel reinforcing within the slabs was observed in the cellar at the boiler room, meter room, garbage room and storage room, a structural investigation was performed by a NYS Licensed Engineer to repair the cellar ceilings (estimated cost \$100,000);

(d) the coal chute/sidewalk vault structure accommodating sidewalk access to the boiler room is in a deteriorated condition, restoration of the chute vault walls, supporting steel structure and replacement of the exterior metal sidewalk hatch door is required (estimated cost \$50,000);

(e) a number of cellar windows at the residential common areas are deteriorated replacement of select windows is anticipated (estimated cost 10 windows @ \$500 each = \$5,000);

(f) areas of cast in place formed concrete site work including slabs at yards, retaining walls, garden and landscaping walls as well as stairways exhibit signs of deterioration, restoration of concrete and masonry components is required in areas (estimated cost \$30,000);

(g) firestopping sealant is lacking at a number of the wiring and piping penetrations at walls and ceilings enclosing cellar mechanical spaces, all such penetrations must be sealed with appropriate non-combustible materials consistent with the wall material (estimated cost \$2,000);

(h) the domestic hot water piping and steam piping within the boiler room is missing insulation, new insulation must be installed on all sections of the exposed domestic hot water piping and steam piping (estimated cost \$5,000);

(i) the existing Federal boiler (built in 1985) and existing Control Combustion dual fuel burner (Circa 1985) are approaching the end of their useful lives according to industry standards – management should consider replacement of same within next 5 years, as part of the replacement the existing metal breaching that connects from the boiler to a vertical masonry chimney should be cleaned and inspected, and a new chimney liner installed within the existing chimney to be compliant with New York City Fuel and Gas Code, the abandoned boiler and abandoned oil storage tank are anticipated to be removed, a new sump pump is anticipated to be installed (estimated cost \$350,000);

(j) a one bedroom apartment was subdivided into 2 studio apartments (B-6 and B-7); this sub-division is not reflected on the certificate of occupancy. To remedy the condition, after both of the apartments become vacant, Sponsor, at its own cost and expense, will remove construction partitions and remove 1 kitchen, such that the Unit will be compliant with applicable building code and applicable legal requirements prior to selling the Unit (estimated cost \$50,000);

(k) modernization of 2 passenger cars, new main machines and new controllers (estimated cost \$295,000); and

(l) repaint existing fire escapes, scrape, sand, prime and repaint all steel components (estimated cost \$12,000).

Sponsor currently intends to perform the work listed in items (a), (e), (f), (g) and (k) above and take a credit for such work against the Reserve Fund. Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building. Residential Unit Owners will be responsible for the cost of work not done by Sponsor.

The exact amount of the Reserve Fund under the Reserve Fund Law cannot be determined until the First Closing since it depends on which option Sponsor chooses under the Reserve Fund Law. Under no circumstances will the Reserve Fund be less than 2% of the Total Price. No Purchaser will be entitled to rescind his or her Agreement solely because the actual amount of the Reserve Fund is less than the estimated amount.

The Reserve Fund Law also requires Sponsor not later than the 30th day following the Filing Date of this Plan and until the First Closing to post and maintain in a prominent place accessible to all tenants in the Building a list of all violations of record against the Building as determined by the Department of Buildings and the Department of Housing Preservation and Development. All newly issued violations must be posted within 48 hours of their issuance.

In the event that at any time prior to the First Closing, the Reserve Fund Law is repealed, Sponsor will not be obligated to comply with its requirements and may not provide a Reserve Fund. In such event, all Purchasers will be given 15 days after receipt of an amendment disclosing such repeal of the Reserve Fund Law to rescind their Agreements and be refunded all monies paid thereunder. In the event that on or after the First Closing, the Reserve Fund Law is repealed, Sponsor agrees to comply with its requirements as set forth in this Plan notwithstanding such repeal.

Section 8.10 of the By - Laws provides that if permitted by Law, the Board shall be entitled to fix by resolution and collect a "flip" tax in connection with sales or leasing in order to create a reserve fund which will provide reserves for the Condominium to use in the future for capital improvements, emergency repairs and working capital. If such a "flip" tax is adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charges shall not apply to the lease of a Unit by Sponsor and/or its designee(s), to the sale or lease of Unsold Units by Sponsor and/or its designee(s), or to the sale or lease of Unsold Units by a Permitted Mortgagee of Sponsor and/or its designee(s) that acquires title to Unsold Units.

The Board, pursuant to RPL 339-jj, may incur debt to finance needed capital expenditures, including the renewal or replacement of building components or systems or to remedy major building conditions. RPL 339-jj authorizes the Board to incur debt provided that such debt (a) is incurred no earlier than the 5th anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

No assurance can be given that the Reserve Fund will be adequate to pay for the replacement of capital items, and if additional monies are required over and above the Reserve Fund, it may be necessary to increase Common Charges or levy a Special Assessment against the Residential Unit Owners. Based upon estimates received by Sponsor, Sponsor believes that the Reserve Fund will be sufficient to pay for the replacement of capital items likely to be needed as disclosed in the Description of Property set forth in Part II of this Plan. The Reserve Fund may not be used to reduce Common Charges. No representation can be made, however, that after Sponsor relinquishes control, the Board may not decide to use the Reserve Fund for a purpose other than for which it has been established.

THE PROPERTY IS BEING OFFERED IN ITS CURRENT CONDITION "AS IS," WITH NO REPRESENTATIONS OR UNDERSTANDINGS EXCEPT AS EXPRESSLY SET FORTH HEREIN. SPONSOR AND THE SELLING AGENT WILL HAVE NO OBLIGATION TO MAKE ANY REPAIRS OR IMPROVEMENTS EXCEPT AS MAY BE SPECIFICALLY SET FORTH IN THIS PLAN OR REQUIRED BY LAW. NEITHER THE DEPARTMENT OF LAW NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE RESERVE FUND OR UPON THE PHYSICAL CONDITION OF THE BUILDING.

WORKING CAPITAL FUND AND APPORTIONMENTS

All Purchasers of Residential Units (other than those designated as Sponsor's Transferee) shall be required to make a contribution at the Closing of such Residential Unit Owner's Unit(s) to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to 2 months' Common Charges in effect for such Residential Unit(s).

On or about the date of the First Closing, Sponsor will apportion with the 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, uniforms and all other payments or obligations relative to the employees of the Building;
- (2) deposits with utility companies, if any, and fees for assignable permits and licenses, if any;
- (3) charges for electricity and other utilities for the Common Elements and Residential Common Elements;
- (4) cost of fuel on hand (plus sales tax), if any;
- (5) charges and receipts in connection with any 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 Residential Units);
- (7) cost of any Building supplies on hand at Sponsor's cost (including sales tax);
- (8) premiums for transferable insurance policies, if any; and
- (9) other customary adjustments.

If any of the foregoing items to be apportioned cannot be adjusted on or about the date of 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. Assuming the net closing adjustments are in favor of Sponsor, same shall be paid in 12 equal, consecutive monthly installments, commencing on the first date of the 2nd calendar month subsequent to the closing, pursuant to negotiable serial notes bearing interest at the rate of 1% over Citibank, N.A.'s "base rate" in effect on the First Closing Date. If on the 12 month anniversary of the First Closing, there remains a balance on the promissory note, such balance shall be paid by the Condominium on behalf of all Residential Unit Owners, as a Residential Common Expense.

The Working Capital Fund will be held and used for working capital, including without limitation payment of the promissory note for the closing adjustments in favor of the Sponsor, or for such other appropriate purposes as will be determined by the Board and may be augmented by allocations from the monthly Common Charges collected from each Residential Unit. While Sponsor controls the Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact

amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any 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 a Special Assessment payable by Residential Unit Owners who are responsible for the repair and replacement of the Common Element or Residential Common Element in need of such renewal, replacement or remedy. Alternatively, the Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Residential Unit Owner approval. In addition, pursuant to the By-Laws, the Board is entitled to determine amounts for a reserve for replacements in establishing the annual budget. 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.

MANAGEMENT AGREEMENT

The Condominium will enter into a management agreement (the "Management Agreement") for an initial term of 3 years with Pinnacle Managing Co., LLC (the "Managing Agent"), having an address at One Penn Plaza, Suite 4000, New York, New York 10119, effective as of the date of the first closing of title to a Residential Unit, at an annual fee of \$43,000 payable in equal monthly installments. The Management Agreement will be automatically renewed from year to year unless terminated by the Board upon 90 days' written notice prior to the expiration of the term, as the same may have been renewed. The Board, at its option, may terminate the Management Agreement at any time, by giving written notice thereof to Managing Agent, for only the following reasons: (i) fraud, misrepresentation, misappropriation of funds, furnishing any statement, report, notice writing or schedule the Managing Agent knows to be untrue or misleading in any material respect on the date as of which the facts set forth therein are state or certified, (ii) the failure of Managing Agent to comply with any term or condition of the Management Agreement, that although not included in subsection (i) above, has a material adverse effect on the Property, (iii) the bankruptcy or insolvency of, the assignment for the benefit of creditors, by or the appointment of a receiver for any property of Managing Agent which is not dismissed in 60 days, and (iv) an intentional or grossly negligent or illegal act committed by Managing Agent against the Board. The Managing Agent shall have the right to terminate the Management Agreement at any time by giving written notice thereof to the Board if the Board shall default in the performance of any term or condition of the Management Agreement and shall fail to cure such default within 30 days after receiving written notice thereof from Managing Agent, provided, that so long as the default cannot be cured solely by the payment of money and the Board shall have commenced the curing of such default promptly and in any event within such 30 day period and shall diligently prosecute the curing thereof to completion, the Board shall have such additional time as shall be reasonably necessary to cure such default, not to exceed an additional 60 days. The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. The Managing Agent will work in the best interest of the Condominium and the Unit Owners.

In the event a new managing agent is substituted for the Managing Agent, the annual fee will be as mutually agreed upon between the Board and the new managing agent. All expenses incurred by the Managing Agent in performance of its duties to the Condominium will also be reimbursed to the Managing Agent. In the event that the Board requests the Managing Agent to provide additional service(s) not within the scope of the Management Agreement (including, without limitation, brokerage or other similar services in connection with the sale or leasing of any Residential Unit(s) from time to time owned or leased to the Board), the Board shall pay additional fees and/or commissions to be agreed upon by the Board and the Managing Agent. The Managing Agent shall be paid a fee for supervising any capital improvement projects instituted by the Board in an amount equal to 10% of any such project's total cost. Additionally, in connection with processing, reviewing and coordinating applications for waivers of the Board's right of first refusal under the By-Laws in connection with proposed sales and/or leasing of Residential Units by Residential Unit Owners, the Managing Agent shall be entitled to receive a reasonable fee from the selling or leasing Residential Unit Owner for such services as well as reimbursement for all out-of-pocket expenses incurred by the Managing Agent in connection therewith. Joel Wiener, a principal in the Managing Agent, is also the President and Chairman of the Board of Zarasai, Ltd. (defined under "Identity of Parties – Sponsor"), the managing member of the sole member of the sole member of Sponsor.

Pursuant to the Federal Condominium and Cooperative Abuse Relief Act of 1980, 15 U.S.C. 3601 (the "Act"), unit owners in a conversion project which has 5 or more residential units have the right to terminate self-dealing contracts that have been entered into by the sponsor or sponsor affiliate within 2 years after the date that the sponsor or sponsor affiliate ceases to control the board or owns 25%

or less of the units in the project, whichever occurs first. A "self-dealing" contract is defined under the Act as any contract or portion thereof which is entered into after October 8, 1980, which: (i) provides for operation, maintenance or management of a condominium association in a conversion project, or of property serving the condominium unit owners in such project; (ii) is between such unit owners or such association and the sponsor or an affiliate of the sponsor; (iii) was entered into while such association was controlled by the sponsor during the sponsor control period or because sponsor held a majority of the votes in such association; (iv) is for a period of more than 3 years, including any automatic renewal provisions which are exercisable at the sole option of the sponsor or an affiliate of the sponsor; and (v) may not be terminated without penalty by such unit owners or such association. In the event that a self-dealing contract exists in a conversion project having 5 or more residential units, the sponsor shall notify unit owners of the right to terminate such contract within 30 days of the date that the sponsor ceases to control the board or owns 25% or less of the units in the project, whichever occurs first, and at least 6 months prior to the date that the right to cancel expires. A termination under the Act shall be by vote of unit owners of not less than 2/3rds of the units other than units owned by the sponsor or a sponsor affiliate. Following an affirmative vote by unit owners to terminate the contract, the termination shall be effective 90 days after the notice of termination is either hand delivered or mailed by the unit owners to the sponsor or sponsor affiliate.

The Management Agreement provides that the books and records held by the Managing Agent shall be returned to the Condominium upon its termination. The Management Agreement may be assigned by the Managing Agent without the consent of the Condominium. It may be canceled by either party for cause.

The Managing Agent will, among other things:

(a) hire, pay and supervise, all persons necessary to be employed in order to properly Maintain and operate the Common Elements and Residential Common Elements, in accordance with the Declaration and By-Laws;

(b) prepare, obtain and maintain, as appropriate, all required payroll records; all necessary forms for unemployment insurance, withholding and social security taxes; and all other forms, insurance or filings relating to the employment of the Board's employees required by any federal, state or municipal authority;

(c) cause ordinary repairs to be made with respect to the Common Elements and Residential Common Elements, and cause such further work or repair, redecoration or alteration to be performed with respect to the Common Elements and Residential Common Elements so as to Maintain same in good order and repair consistent with similar residential properties, all at the Board's expense and all as may be otherwise authorized, provided that repairs or alterations (either pursuant to contract or purchase order) involving an expenditure of over \$50,000.00 shall be made only with the prior written authorization of the Board, with the exception only of emergency repairs under circumstances which, in the Managing Agent's reasonable judgment, permit no reasonable opportunity for prior clearance with the Board and require immediate action for the preservation or protection of the Property or the health and safety of Residential Unit Owners or other persons, but the Managing Agent shall notify the Board by the most expeditious means immediately thereafter;

(d) at the Board's expense, use reasonable efforts to comply with, and cause the Common Elements and the Residential Common Elements and the use and operation thereof to comply with any and all laws, rules and orders or cure violations affecting the Common Elements and Residential Common Elements; provided, however, that the Managing Agent shall not take any such action if the cost thereof

would exceed \$50,000.00 except that if failure to comply promptly with any such laws, rules and orders would or might reasonably be expected to expose the Board or the Managing Agent to criminal liability or pose an imminent danger to life or health, the Managing Agent shall cause the same to be complied with at the Board's expense without the necessity for any prior approval, but the Managing Agent shall notify the Board by the most expeditious means immediately thereafter;

(e) enter into contracts for any necessary services and supplies subject to limitations contained in subparagraph (d) above and the By-Laws;

(f) purchase those supplies that shall be required in order to Maintain and operate the Common Elements and the Residential Common Elements and provide required services to Residential Unit Owners and occupants;

(g) assist the Board in determining the appropriate insurance to be carried for the Common Elements and the Residential Common Elements; carry out the written directions of and assist the Board respecting the placing and administering of insurance, the seeking of insurance recoveries and the restoration of insured damage;

(h) check and approve all bills received for services, work and supplies ordered in connection with Maintaining and operating the Common Elements and the Residential Common Elements, and until the Units in the Condominium are separately assessed, pay real estate taxes, water and sewer rents, assessments, and other public charges with respect to the Condominium, when provided with funds therefor; with respect to any Residential Units owned by the Board on behalf of the Residential Unit Owners, pay real estate taxes, assessments, other public charges, premiums on insurance, or sums payable on any mortgage which may at any time be a lien on such Residential Units, when provided with funds therefor by the Board;

(i) bill or cause to be billed Common Charges, and, when directed in writing by the Board, send notices of delinquency to the appropriate Residential Unit Owners; take such other action pursuant to the Condominium Documents for the collection of delinquent Common Charges as may be requested by the Board;

(j) render, or cause to be rendered, a monthly statement to the Treasurer and President of the Condominium, setting forth a summary of receipts and disbursements for the month and a report of the current status of all bank accounts and investments securities of the Condominium;

(k) under the supervision of the accountants retained by the Board, keep the books and records of the Condominium, and maintain files containing records of Common Charges, assessments, rents, insurance policies, mortgages that are liens on Residential Units, contracts, receipted bills and vouchers, and all other documents and papers pertaining to the Common Elements or the operation thereof;

(l) prepare and submit annually to the Board, on or before December 1 of each preceding year, an operating budget;

(m) if requested by the Board, prepare and send notices of all meetings to the members of the Board;

(n) if requested by the Board, prepare and send notices of all meetings of the Residential Unit Owners to the Residential Unit Owners;

(o) if requested by the Board, cause a representative of its organization to attend the annual meeting of the Residential Unit Owners and up to 4 meetings per year of the Board (the Managing Agent shall cause a representative to attend meetings in addition to the number set forth above for a reasonable additional fee);

(p) if requested by the Board, record the minutes of the meetings of the Board attended by the Managing Agent; and

(q) generally, do all things reasonably deemed necessary or desirable by the Board for the proper management of the Condominium.

Pursuant to the Management Agreement, the Board will indemnify the Managing Agent against any liability for damages, penalties, fines, judgments, costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) brought against the Managing Agent, arising out of or connected with the performance by the Managing Agent of its duties, except for the Managing Agent's gross negligence or willful or intentional default. Such obligations will also be covered by insurance obtained by the Condominium. The Managing Agent shall procure and maintain, at the expense of the Condominium, a fidelity bond in the amount of not less than \$1,000,000.00 to protect the Condominium against loss caused by acts of the Managing Agent, its directors, officers or employees.

The Managing Agent will provide its services to all Residential Unit Owners and Non-Purchasing Tenants of the Building as required by GBL Section 352-eeee(3). All Residential Units occupied by Non-Purchasing Tenants shall be managed by the same managing agent who manages all other Residential Units in the Building. The Managing Agent shall provide to Non-Purchasing Tenants all services and facilities required by law on a non-discriminatory basis. Sponsor guarantees the obligation of the Managing Agent to provide such services and facilities until such time as Sponsor surrenders control of the Board, at which time the Condominium shall assume responsibility for the provision of all services and facilities required by law on a non-discriminatory basis.

IDENTITY OF PARTIES

Sponsor

The Sponsor is 12 Realty Associates LLC, a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119. 12 Realty Associates LLC was formed on January 3, 2006. The sole member of 12 Realty Associates LLC is Pinnacle Neiss LLC (“PN”), a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119. The sole member of PN is The Zarasai Group LLC (“Zarasai Group”), a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119. The managing member of Zarasai Group is the Zarasai Group Ltd. (“Zarasai Ltd”), a British Virgin Islands company having an office c/o Blenheim Trust (BVI) Limited, P.O. Box 3483 Road Town, Tortola, British Virgin Islands and an office c/o Pinnacle at One Penn Plaza, Suite 4000, New York, New York 10119. Joel Wiener (“JW”) and Sherry Wiener each own in excess of 10% of the shares of Zarasai Ltd. Joel Wiener, the President and Chairman of the Board of Zarasai Ltd., is also the managing member of the Managing Agent.

Affiliates of Sponsor have taken part in the following prior public offerings first offered within the past 5 years:

132-35 Sanford Avenue, Flushing (filed in 2013);
 308-312 West 30th Street, New York (filed in 2013);
 750 Riverside Drive, New York (filed in 2014);
 775 Riverside Drive and 156-08 Riverside Drive West, New York (filed in 2015);
 69 Bennett Avenue, New York (filed in 2015);
 105 Bennett, New York (filed in 2016);
 382-390 Eastern Parkway, Brooklyn (filed in 2016);
 109-20 Queens Boulevard, Forest Hills (filed in 2016);
 441 Convent Avenue, New York; and
 601 Crown Street, Brooklyn.

Affiliates of Sponsor’s principals own 10% or more of the unsold shares or units, as individuals, general partners or principals in the following properties located in New York:

660 Riverside Drive, New York;
 668 Riverside Drive, New York;
 680 Riverside Drive, New York;
 690 Riverside Drive, New York;
 700 Riverside Drive, New York;
 725 Riverside Drive, New York;
 801 Riverside Drive, New York;
 807 Riverside Drive, New York;
 812 Riverside Drive, New York;
 835 Riverside Drive, New York;
 76-66 Austin Street, Forest Hills;
 1200 Gravesend Neck Road, Brooklyn;
 57/79 Avenue O, Brooklyn;
 8814 Bay Parkway, Brooklyn;
 402 Bay Ridge Parkway, Brooklyn;
 3203 Nostrand Avenue, Brooklyn;

3165 Nostrand Avenue, Brooklyn;
 3255 Randall Avenue, Bronx;
 40-66 Ithaca Street, Elmhurst;
 160 Beach 117th Street, Belle Harbor;
 Anita Terrace, Rego Park;
 132-35 Sanford Avenue, Flushing;
 308-312 West 30th Street, New York;
 MeadowWood At Gateway Condominium, (f/k/a Fairfield Towers Condominium), Brooklyn;
 750 Riverside Drive, New York;
 775 Riverside Drive and 156-08 Riverside Drive West, New York;
 69 Bennett Avenue, New York and 105 Bennett Avenue, New York;
 105 Bennett, New York;
 382-390 Eastern Parkway, Brooklyn; and
 109-20 Queens Boulevard, Forest Hills.

Offering plans for the above listed buildings are on file with the Department of Law and are available for public inspection.

The affiliates of Sponsor's principals are current in their financial obligations with respect to the foregoing plans.

There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, injunctions and judgments against Sponsor, or any principals of Sponsor that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

JW, a principal of Sponsor, indirectly owned less than a 10% interest in various limited liability companies which owned numerous multifamily properties. The owning entities of the multifamily properties entered into a settlement agreement with the note holder of a loan secured by such properties. At the note holder's request, a bankruptcy plan was filed in May 2012. The bankruptcy plan was approved by the Court without objection and an orderly transfer of the properties was made to the note holder.

In December 2006, Pinnacle Group NY LLC ("PGNY") entered into an Assurance of Discontinuance ("AOD") with the New York State Office of the Attorney General ("OAG") and the New York State Division of Housing and Community Renewal ("DHCR"), admitting neither wrongdoing nor that it otherwise committed any wrongful or improper act, in order to resolve an investigation by the OAG and DHCR into the practices of PGNY and its affiliates with regard to calculations of rent increases based on major capital improvements ("MCI's"). Under the terms of the AOD, PGNY agreed to comply with the law, including the NY Rent Stabilization Law ("NYRSL"), in calculating the rents charged for the rent-stabilized apartments owned or managed by it, and not to charge rents in excess of the permissible rents as determined pursuant to the NYRSL and applicable rent guidelines. PGNY was also required to hire an independent accounting firm to review certain rents set by PGNY or its affiliates over a 4-year period. The accounting firm prepared a report for the OAG and DHCR, and PGNY or its affiliates were required to make refunds and/or adjustments as appropriate.

On December 20, 2007, because the OAG and DHCR determined that PGNY had submitted incomplete and deficient reports pursuant to the AOD, PGNY entered into a second AOD ("AOD2") which extended the terms of the original AOD for an additional year. Under the terms of AOD2, the accounting firm audited rents set by PGNY or its affiliates between December 15, 2006 and December 31, 2007. The

accounting firm conducted monthly audits of random samples of apartments rented by PGNY from January 1, 2008 to June 30, 2008, and provided reports to the OAG and DHCR.

Selling Agent

The Selling Agent is Keller Williams NYC, having an office at 1155 Avenue of the Americas, 6th FL, New York, New York 10036. The Selling Agent is a licensed real estate brokerage firm and is a subsidiary of Keller Williams International, whose principals have been engaged in the real estate business for over 29 years. The Selling Agent has no financial interest in the Property, Sponsor, the Managing Agent or any other parties interested in this transaction, except for its fee for services rendered, and there is no affiliation between Selling Agent and its principals and Sponsor and its principals. There have been no prior felony convictions of Selling Agent, or any principals of Selling Agent and no prior convictions, injunctions or judgments against Selling Agent, or any principals of Selling Agent that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

Managing Agent

The Managing Agent, Pinnacle Managing Co., LLC, having an office at One Penn Plaza, Suite 4000, New York, New York 10119, is a licensed real estate brokerage firm engaged in the real estate business for over 25 years. The Managing Agent will receive a management fee as described above in the section entitled "Management Agreement." The management fee is comparable to the prevailing rates charged by other management services firms in New York City providing similar services in comparable buildings. In the event a new managing agent is substituted for the Managing Agent, the annual fee will be as mutually agreed upon between the Board and the new managing agent. The Managing Agent currently manages over 50 properties in New York City, many of which are cooperative housing corporations or condominiums. Joel Wiener, the managing member of the Managing Agent, is also the President and Chairman of the Board of Zarasai, Ltd. the managing member of Zarasai Group, the sole member of the sole member of the Sponsor. Accordingly, the Managing Agent has a financial interest in Sponsor, in addition to its fees for services rendered pursuant to the Managing Agent's agreement with the Condominium.

There have been no prior felony convictions of the Managing Agent, or any principals of the Managing Agent; and no prior convictions, injunctions and judgments against the Managing Agent, or any principals of the Managing Agent, that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

A list of properties in New York which are managed by the Managing Agent include: 880 68th Street, Brooklyn; 25-10 30th Road, Astoria; 63-70 Austin Street, Forest Hills; 109-20 Queens Boulevard, Forest Hills; and 111 Worth Street, New York.

Budget Expert

Sponsor has engaged Nu-Place Realty as Sponsor's Budget Expert. Nu-Place Realty has been engaged in the sale and management of mixed use properties in New York, including condominiums for more than 25 years. Nu-Place Realty reviewed the estimated income and expenses in "Schedule B- First Year's Budget". Nu-Place Realty rendered the "Certification As to the Adequacy of the First Year's Budget" and the "Certification As to Adequacy of Common Charges Payable by the Commercial Unit Owner", which may be found in Part II of the Plan. There have been no felony convictions of Nu-Place Realty or the principals of Nu- Place Realty. There have been no prior felony convictions of Nu-Place Realty, or any principals of Nu-Place Realty, and no prior convictions, injunctions and judgments against

Nu-Place Realty, or any principals of Nu-Place Realty that may be material to this Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan.

Attorneys for Sponsor

Sponsor has retained the law firm of Pryor Cashman LLP, having an office at 7 Times Square, New York, New York 10036, to represent it in connection with this Plan. Pryor Cashman LLP prepared this Plan, the Declaration, the By-Laws and the form of Agreement, Residential Unit Deed and Power of Attorney and has also rendered an opinion with respect to compliance with Section 339-i of the Real Property Law. Ronald B. Kremnitzer, Esq. had principal responsibility for the preparation of this Plan. Pryor Cashman LLP will serve as Escrow Agent and will represent Sponsor in connection with matters relating to Residential Unit Closings.

Several partners at Pryor Cashman LLP (none of whom has any financial interest in the Sponsor or any of its members), counsel to the Sponsor, have been designated as signatories on the segregated special escrow account at Citibank wherein monies received under this Plan will be deposited.

Sponsor's Architect

The architectural firm of Howard L. Zimmerman Architects, P.C., having an office at 11 West 30th Street, New York, New York 10001, has examined the physical condition of the Building and has rendered its reports thereof as set forth in Part II of this Plan. All statements and representations made in this Plan with respect to the "Description of Property" have been made in reliance upon the Architect and its authority as an expert. The Architect has no financial interest in the Property, Sponsor, the Selling Agent, the Managing Agent or any other parties interested in this transaction, except for its fee for services rendered.

Sponsor's 339- i Condominium Expert

Keller Williams NYC, having an address at 1155 Avenue of the Americas, 6th FL, New York, New York 10036, provided the opinion regarding Sponsor's compliance with Section 339-i of the Real Property Law.

SPONSOR'S PROFIT

Sponsor acquired the Property on January 12, 2006. Sponsor intends to make a profit from the sale of the Units.

REPORTS TO RESIDENTIAL UNIT OWNERS

It is the obligation of the Board to give Residential Unit Owners annually:

- (1) a financial statement of the Condominium prepared by a certified public accountant within 4 months after the end of each fiscal year, which statement shall be certified while the Sponsor is in control of the Board;
- (2) prior notice of the Annual Residential Unit Owner's meeting; and
- (3) a copy of the proposed annual budget of the Condominium delivered to Residential Unit Owners at least 10 days prior to the adoption thereof.

DOCUMENTS ON FILE

In accordance with Section 352-e(a) of the GBL, copies of this Plan and Parts A, B, C and D of the Exhibits delivered to the Department of Law containing all exhibits or documents referred to herein shall be available for inspection (without charge) and for copying (at a reasonable charge) by prospective purchasers and by any person who shall have purchased a Residential Unit offered under this Plan, at the office of Sponsor or the Selling Agent during business weekday hours and shall remain available for such inspection and copying for a period of 6 years from the First Closing. In addition, a set of the Floor Plans showing the layout, locations and approximate dimensions of each Residential Unit and its Residential 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 Residential Unit, will be filed with the City Register's Office when the Declaration is recorded, and an additional set will be furnished to the Board.

The Declaration and the By-Laws will be recorded in the City Register's Office. All deeds conveying, and all mortgages covering, individual Residential Units will also be recorded in such Office.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of any material fact. Sponsor believes that this Plan contains a fair summary of the material provisions of the documents referred to in this Plan, including those documents contained in Part II of this Plan. Exact copies are contained in Part II of this Plan of the Declaration, By-Laws, form of Agreement, form of Residential Unit Deed, form of Power of Attorney and other documents and Purchasers are urged to read the documents set forth in Part II of this Plan in their entirety. Statements made in Part I of this 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 this 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. Local Law 1 of 2004 ("Local Law 1") requires that landlords must inspect every apartment

occupied by a child under the age of 6 for conditions that may cause lead exposure, and if found, correct them. Landlords must verify whether a child under the age of 6 resides in an apartment and if so, conduct an inspection at least annually, and more often if necessary, for lead paint hazards. The landlord is required to investigate the circumstances if any tenant does not respond to the inquiry as to the presence of children. Landlords must look for peeling paint, evidence of friction or chipping, and underlying conditions that may cause paint to peel, and promptly correct any hazard. The landlord has a duty under the law to inspect the apartment as well as all common areas for the presence of lead-based paint hazards, and to remove or cover all lead paint on friction surfaces and to replace window slides and panes on friction surfaces containing lead paint. Landlords must provide written notice to the tenant of the landlord's obligation to inspect for and repair lead-paint hazards and the tenant's obligation to provide access to their apartment. The obligations under Local Law 1 of 2004 apply to a Residential Unit owner who purchases an occupied unit, as well as to a Residential Unit which was vacant but becomes occupied by a tenant subsequent to its purchase. Sponsor makes no representation regarding the scope or nature of any future enactments regarding lead-based paint, whether Local Law 1 will be further modified and enacted or whether the City or State of New York will adopt other laws dealing with lead-based paint or what the provisions of such law may be. Prospective purchasers are urged to review Local Law 1 and any successor statute thereto and any regulations or requirements promulgated with respect thereto for a full description of the obligations of a Residential Unit Owner and actions a Unit Owner may be required to take thereunder. Residential Unit Owners shall be deemed "owners" of their respective Residential Units with the obligation to comply with the requirements of all environmental laws, including, without limitation, requiring the removal or abatement of asbestos containing material or lead-based paint.

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 this Plan.

Sponsor reserves the right, from time to time prior to the First Closing, upon amendment to this Plan, without obtaining the consent of Purchasers or others, to substantially revise the terms and conditions upon which the Residential Units are to be sold, including changes affecting the rights, obligations and liabilities of Sponsor, the Purchasers and/or prospective Purchasers under this 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 this Plan. If there is a material amendment to this Plan as to which rescission is required by the Department of Law, Purchasers will have a right of rescission which may only be exercised within 15 days from the date of presentation of said amendment. Escrow Agent shall promptly return any Deposit to Purchasers who timely rescind, except that Escrow Agent shall pay over to Sponsor the Deposit 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 Residential Units offered under this Plan or in the leasing of any such Residential 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 this Plan include the plural and vice versa, and a reference herein to any 1 gender, masculine, feminine or neuter, includes the other 2.

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. This Plan may not be changed or modified orally.

To the best of Sponsor's knowledge, neither the Property nor the Building have been the subject of any prior public offerings.

Prior to the submission of this Plan to the Department of Law, no contracts or agreements, written or oral, have been entered into for the sale or transfer of any Residential Units offered in this Plan and no deposits or advances of funds have been taken by or on behalf of Sponsor in connection with the reservation, sale or transfer of such Residential Units.

In the event the projected annual common charges increase by more than 25% prior to the closing date, Sponsor agrees to offer all Purchasers the right to rescind their purchase agreements if they notify Sponsor (in writing, within 15 days after the presentation of the amendment to this Plan disclosing the revised budget) and to be refunded the full deposit within 30 days after notification to Sponsor.

SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor adopts the reports prepared by Howard L. Zimmerman Architects, P.C. and included as part of the "Description of Property Report" (the "Architect's Report") contained in Part II of this Plan and represents that, to the best of its knowledge, the Architect's Report accurately discloses the present Building condition. The firm preparing the Architect's Report has no financial interest in the Property, Sponsor, the Condominium, any affiliates thereof or any other party interested in this transaction, except for its fee for services rendered. Sponsor knows of no facts or information inconsistent with the report that follows.

Sponsor represents that it has no knowledge of any material defects or need for major repairs to the Building except as hereinafter set forth in the Architect's Report and the violations search annexed to the Architect's Report. The New York City Department of Buildings issued Certificate of Occupancy number 3P0007352 for the Building at 12-34 Crown Street, Brooklyn, New York 11225.

The Residential Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs an Agreement, subject to ordinary wear and tear. Notwithstanding the foregoing, Sponsor reserves the right to undertake substantial construction work in vacant Residential Units of the Building, including the installation of new electric wiring, sheetrock, kitchens and baths, and in common areas of the Building. A Purchaser may request that a vacant Residential Unit be delivered at Closing in its "as is" condition. Sponsor will amend this Plan to disclose renovations, including finishes and installations, when plans have been finalized for renovations to vacant Residential Units. Construction workers and related personnel may be at the Building from time to time performing various tasks relating to such construction, which will occur between the hours of 8:00 A.M. and 5:00 P.M. Monday through Friday. Access to the Building will be provided to the construction workers by the Superintendent. Debris from the construction will be removed in most instances through the elevators and outside doors on the Cellar Level and hauled away. The foregoing work and conditions may create a noisy and otherwise disruptive condition in the Building during the period such work is being performed. Sponsor will use reasonable commercial efforts to minimize any dust and/or debris from affecting surrounding Residential Units. Various systems, including but not limited to water supply and heating, may need to be shut down temporarily. Said work may be undertaken any time that Sponsor has 1 or more vacant Unsold Residential Units. When Sponsor is doing substantial construction work in vacant Residential Units in the Building, Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building.

Except as described in the Architect's Report, Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building. However, the Building was built in 1928 and, as all prudent property owners are aware, a program of ongoing maintenance is typically required to insure the integrity of a building. No active plumbing leaks have been reported. No common area plumbing repairs are currently required. If after the First Closing, common area plumbing repairs are required, such repairs will be at the cost of the Condominium. Certain portions of the plumbing date from the initial construction of the Building. While some repair and replacement of the plumbing lines and fixtures have been performed by Sponsor and others, there is no guarantee that the plumbing will not leak. Purchasers should be aware that replacement of certain of the old pipes in the Building could cause pipes and fixtures that have not been repaired or replaced to burst.

As set forth in the Architect's Report, the following conditions exist at the Property that may need repair and remediation. Sponsor may engage 1 or more contractors to perform the following qualifying work for a possible credit against the Reserve Fund (at the following approximate costs):

- (a) various areas of all facades conditions of cracked brick, diagonal cracking of parapets, spalling brick, cracked, loose and dislodging stucco and deterioration of terra cotta copings to be addressed (estimated cost \$262,000);
- (b) some sections of parapet walls enclosing the main roof level were observed to be less than the minimum height necessary to comply with the NYC Building Code, to remedy the condition installation of new side mounted railings 42 inches in height is advised at all parapet wall segments which are less than 36 inches in height (estimated 250 linear feet @ \$150 ft. = \$37,500);
- (c) cracking of the concrete ceiling slabs as well as rust/corrosion of steel reinforcing within the slabs was observed in the cellar at the boiler room, meter room, garbage room and storage room, a structural investigation was performed by a NYS Licensed Engineer to repair the cellar ceilings (estimated cost \$100,000);
- (d) the coal chute/sidewalk vault structure accommodating sidewalk access to the boiler room is in a deteriorated condition, restoration of the chute vault walls, supporting steel structure and replacement of the exterior metal sidewalk hatch door is required (estimated cost \$50,000);
- (e) a number of cellar windows at the residential common areas are deteriorated replacement of select windows is anticipated (estimated cost 10 windows @ \$500 each = \$5,000);
- (f) areas of cast in place formed concrete site work including slabs at yards, retaining walls, garden and landscaping walls as well as stairways exhibit signs of deterioration, restoration of concrete and masonry components is required in areas (estimated cost \$30,000);
- (g) firestopping sealant is lacking at a number of the wiring and piping penetrations at walls and ceilings enclosing cellar mechanical spaces, all such penetrations must be sealed with appropriate non-combustible materials consistent with the wall material (estimated cost \$2,000);
- (h) the domestic hot water piping and steam piping within the boiler room is missing insulation, new insulation must be installed on all sections of the exposed domestic hot water piping and steam piping (estimated cost \$5,000);
- (i) the existing Federal boiler (built in 1985) and existing Control Combustion dual fuel burner (Circa 1985) are approaching the end of their useful lives according to industry standards – management should consider replacement of same within next 5 years, as part of the replacement the existing metal breaching that connects from the boiler to a vertical masonry chimney should be cleaned and inspected, and a new chimney liner installed within the existing chimney to be compliant with New York City Fuel and Gas Code, the abandoned boiler and abandoned oil storage tank are anticipated to be removed, a new sump pump is anticipated to be installed (estimated cost \$350,000);
- (j) a one bedroom apartment was subdivided into 2 studio apartments (B-6 and B-7); this sub-division is not reflected on the certificate of occupancy. To remedy the condition, after both of the apartments become vacant, Sponsor, at its own cost and expense, will remove construction partitions and remove 1 kitchen, such that the Unit will be compliant with applicable building code and applicable legal requirements prior to selling the Unit (estimated cost \$50,000);
- (k) modernization of 2 passenger cars, new main machines and new controllers (estimated cost \$295,000); and

(l) repaint existing fire escapes, scrape, sand, prime and repaint all steel components (estimated cost \$12,000).

Sponsor currently intends to perform the work listed in items (a), (e), (f), (g) and (k) above and take a credit for such work against the Reserve Fund. Sponsor will disclose such work in an amendment to this Plan and perform such work in accordance with a Tenant Protection Plan filed with the DOB, and posted at the Building. Residential Unit Owners will be responsible for the cost of work not done by Sponsor.

The following Department of Building (“DOB”) violations have been issued in connection with the condition of the Building’s elevators: 9027/519035; 9027/519036; 9027/551166; and 9027/551168. Sponsor intends to modernize the elevators, 2 passenger cars, new main machines and new controllers (estimated cost \$295,000) and take a credit against the Reserve Fund for the aforesaid work. Upon completion of modernizing the elevators, the aforesaid violations will be cleared.

As of July 20, 2017 the below Department of Housing Preservation and Development (“HPD”) violations are open at the Building: (A class: 4; B class: 40; C class: 6). As indicated below, Sponsor has completed the work required to remediate the below listed HPD violations at Sponsor’s cost and expense. However, as indicated below, some tenants did not provide access to HPD at dismissal inspection so the violation(s) remain(s) of record. Additionally, Sponsor is unable to complete work in Residential Units where tenants do not provide access to Sponsor. Sponsor estimates the cost to complete the remaining work to be less than \$10,000. Sponsor estimates the time to remove of record the violations to the common areas of the Building to be approximately 24 weeks.

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
-	8/18/2016	10/6/2016	B	506	11355367	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING PROTECTION CAPS /COVER AT ELECTRICAL OUTLET AT 2ND EAST STAIRS POLE,CENTER SECTION AT PUBLIC HALL, 1st STORY
-	8/18/2016	10/6/2016	B	506	11353505	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS /COVER FOR ELECTRICAL OUTLET AT SOUTH AND WEST WALL AT CENTER SECTION AT PUBLIC HALL, 1st STORY
-	8/18/2016	10/6/2016	B	505	11353510	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE BROKEN OR DEFECTIVE NORTH HAND RAIL AT WEST STAIRS AT CENTER SECTION AT PUBLIC HALL, 1st STORY
-	9/28/2016	11/16/2016	B	506	11409602	5523902	nov sent	9/26/2016	9/28/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING NORTH HANDRAIL AT STAIR AT PUBLIC HALL, 1st STORY, SECTION AT WEST
-	11/28/2016	12/11/2016	C	672	11538187	5621042	nov sent	11/23/2016	11/28/2016	completed	§ 27-2033 ADM CODE PROVIDE READY ACCESS TO BUILDINGS HEATING SYSTEM DOOR LOCKED AT CELLAR
-	2/21/2017	4/11/2017	B	539	11657680	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES (FLOWER POTS) AT THE 3RD STACK FROM EAST ON THE NORTH EXTERIOR WALL, 3RD STORY BALCONY, AT FIRE ESCAPE
-	2/21/2017	4/11/2017	B	539	11657687	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS.

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES (FLOWER POTS) AT THE 2ND STACK FROM EAST ON THE NORTH EXTERIOR WALL, 4TH STORY BALCONY, AT FIRE ESCAPE
-	2/21/2017	4/11/2017	B	530	11657705	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE ARRANGE AND MAKE SELF-CLOSING THE DOORS (FIRE DOORS) AT PUBLIC HALL, 4th STORY
-	3/31/2017	5/19/2017	B	539	11711793	5716782	nov sent	3/29/2017	3/31/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES CONSISTING OF FLOWER POTS ON THE 4TH STORY BALCONY AT THE BUILDING FRONT, CENTER STACK, AT FIRE ESCAPE
-	3/31/2017	5/19/2017	B	539	11711795	5716782	nov sent	3/29/2017	3/31/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES CONSISTING OF A PROTRUDING AIR CONDITIONING UNIT AND FLOWER POTS ON THE 3RD STORY BALCONY AT THE BUILDING FRONT, WEST STACK, AT FIRE ESCAPE
-	4/3/2017	4/16/2017	C	672	11717240	5718502	nov sent	4/1/2017	4/3/2017	completed	§ 27-2033 ADM CODE PROVIDE READY ACCESS TO BUILDINGS HEATING SYSTEM DOOR TO BOILER ROOM LOCK AT CELLAR
-	4/21/2017	6/9/2017	B	506	11735574	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING HAND RAIL AT BUILDING ENTRANCE RAMP

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
-	4/21/2017	6/9/2017	B	539	11735564	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES HOUSEHOLD ITEMS ON BALCONY, WEST STACK OF BUILDING FRONT AT FIRE ESCAPE, 4th STORY
-	4/21/2017	6/9/2017	B	506	11735569	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS AND COVER AT ELECTRICAL OUTLET SOUTH, WEST AND NORTH WALLS,CENTER SCETION AT PUBLIC HALL, 1st STORY
-	4/21/2017	6/9/2017	B	506	11735572	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS AND COVER AT ELECTRICAL OUTLET EAST 2ND PILASTER ,CENTER SECTION AT PUBLIC HALL, 1st STORY
1B	8/12/2016	8/25/2016	C	510	11338919	5492188	nov sent	8/3/2016	8/12/2016	completed	§ 27-2005 ADM CODE & 309 M/D LAW ABATE THE NUISANCE CONSISTING OF SEALED SECONDARY FIRE EXIT DOOR IN THE 1st ROOM FROM EAST LOCATED AT APT 1B, 2nd STORY, 4th APARTMENT FROM WEST AT NORTH
2D	8/10/2016	9/28/2016	B	568	11344493	5490363	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 2nd STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/10/2016	9/28/2016	B	569	11344496	5490363	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF MICE IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 2nd STORY,

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	508	11344529	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR EAST AND NORTH WALLS IN THE FOYER LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	501	11344541	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR THE BROKEN OR DEFECTIVE AND MAKE OPERATIVE THE BELL-BUZZER / INTERCOM SYSSTEM AT NORTH WALL IN THE FOYER LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	508	11344542	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR NORTH WALL IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/16/2016	10/4/2016	B	502	11344466	5494199	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD HEADER JAMB CASING AT WINDOW FRAME IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	2/21/2017	4/11/2017	B	598	11657574	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2026 ADM CODE REPAIR THE BROKEN OR DEFECTIVE CONNECTION AT THE WASTE LINE

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											UNDER THE SINK IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	4/11/2017	B	568	11657575	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	4/11/2017	B	501	11657673	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005 ADM CODE PROPERLY REPAIR THE BROKEN OR DEFECTIVE INTERCOM SYSTEM FROM THE BUILDING ENTRANCE TO THE APARTMENT LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	6/10/2017	A	509	11657570	5687897	invalid cert	2/17/2017	6/8/2017	completed	§ 27-2005 ADM CODE PROPERLY SECURE THE LOOSE FAUCET AT THE SINK IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
3F	8/2/1994	11/25/1994	A	529	1268692	899191	not complied	7/19/1994	7/28/2016	completed	§ 27-2005 adm code refit window frames north east north west rooms 6 sty north east apt 3f , section " "
5E	9/22/2014	11/10/2014	B	502	10389502	4919077	not complied	9/19/2014	7/28/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD FLOOR IN THE PRIVATE HALLWAY LOCATED AT APT 5E, 5th STORY, 2nd APARTMENT FROM EAST AT SOUTH , SECTION AT EAST

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
5E	9/23/2014	11/11/2014	B	502	10389453	4919874	not complied	9/19/2014	7/28/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD FLOOR IN THE 4th ROOM FROM NORTH LOCATED AT APT 5E, 5th STORY, 2nd APARTMENT FROM EAST AT SOUTH , SECTION AT EAST
9C	6/12/2017	7/31/2017	B	550	11820609	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 HMC:TRACE AND REPAIR THE SOURCE AND ABATE THE NUISANCE CONSISTING OF MOLD ... APPX. (4 SQ FT) SOUTH WALL IN THE BATHROOM LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	569	11820610	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF MICE IN THE ENTIRE APARTMENT LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	9/29/2017	A	556	11820604	5772244	nov sent	6/8/2017	6/12/2017	completed	§ 27-2013 ADM CODE PAINT WITH LIGHT COLORED PAINT TO THE SATISFACTION OF THIS DEPARTMENT ., 1st DOOR FROM SOUTH AT WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	568	11820611	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
9C	6/12/2017	7/31/2017	B	508	11820605	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT EAST WALL, SOUTH WALL, WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	9/29/2017	A	556	11821279	5772244	nov sent	6/8/2017	6/12/2017	completed	§ 27-2013 ADM CODE PAINT WITH LIGHT COLORED PAINT TO THE SATISFACTION OF THIS DEPARTMENT ALL PEELING PAINT SURFACES IN THE PRIVATE HALLWAY , THE BATHROOM , THE 2nd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820606	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT SOUTH WALL IN THE PRIVATE HALLWAY LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/15/2017	C	617	11821280	5772246	nov sent	6/8/2017	6/12/2017	completed	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1st DOOR FRAME FROM SOUTH AT WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820607	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT NORTH WALL, CEILING IN THE 2nd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820608	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT SOUTH WALL, WEST WALL, NORTH WALL IN THE BATHROOM LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9D	8/5/2016	9/23/2016	B	521	11338955	5487363	invalid cert	8/3/2016	9/22/2016	completed	§ 27-2005, 2007 ADM CODE FIRE EGRESS DEFECTIVE. REMOVE OBSTRUCTING BARS OR UNLAWFUL GATES FROM WINDOW TO FIRE ESCAPE OR PROVIDE APPROVED TYPE GATE .. IN THE KITCHEN LOCATED AT APT 9D, 4th STORY, 1st APARTMENT FROM EAST AT SOUTH
A9	4/3/2017	4/14/2017	C	670	11717233	5718762	nov sent	4/1/2017	4/3/2017	completed	§ 27-2031 ADM CODE PROVIDE HOT WATER AT ALL HOT WATER FIXTURES IN THE ENTIRE APARTMENT LOCATED AT APT A9, 1st STORY, 1st APARTMENT FROM EAST AT SOUTH
B2	9/27/2013	11/15/2013	B	508	9985772	4698452	not complied	9/25/2013	7/28/2016	completed	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color the ceiling in the

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											bathroom located at apt b2, 2nd story, 5th apartment from west at north
B2	9/27/2013	11/15/2013	B	508	9985776	4698452	not complied	9/25/2013	7/28/2016	completed	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color the ceiling inside shower stall in the bathroom located at apt b2, 2nd story, 5th apartment from west at north
B9	11/25/2016	12/6/2016	C	670	11538178	5617863	nov sent	11/23/2016	11/25/2016	completed	§ 27-2031 ADM CODE PROVIDE HOT WATER AT ALL HOT WATER FIXTURES IN THE ENTIRE APARTMENT LOCATED AT APT B9, 2nd STORY, 6th APARTMENT FROM EAST AT SOUTH
B9	11/28/2016	1/16/2017	B	702	11538179	5621041	nov sent	11/23/2016	11/28/2016	completed	§ 27-2045 ADM CODE REPAIR OR REPLACE THE SMOKE DETECTOR DEFECTIVE LOCATED AT APT B9, 2nd STORY, 6th APARTMENT FROM EAST AT SOUTH
F3	12/14/2015	2/1/2016	B	1502	11032858	5324199	not complied	12/10/2015	7/28/2016	completed	§ 27-2046.1, 2046.2 HMC: PROVIDE AN APPROVED AND OPERATIONAL CARBON MONOXIDE DETECTING DEVICE, INSTALLED IN ACCORDANCE WITH APPLICABLE LAW AND RULES. IN THE ENTIRE APARTMENT LOCATED AT APT F3, 6th STORY, 6th APARTMENT FROM WEST AT NORTH
F3	12/14/2015	2/1/2016	B	702	11032861	5324199	not complied	12/10/2015	7/28/2016	completed	§ 27-2045 ADM CODE REPAIR OR REPLACE THE SMOKE DETECTOR MISSING IN THE ENTIRE APARTMENT LOCATED AT APT F3, 6th STORY, 6th APARTMENT FROM WEST AT NORTH
F9	3/15/2010	5/3/2010	B	568	8325116	3889309	no access: 1st attempt	3/13/2010	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of roaches in the

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
											entire apartment located at apt f9, 6th story, 3rd apartment from east at south
F9	11/18/2011	1/6/2012	B	569	9208389	4299505	no access: 1st attempt	11/16/2011	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of mice in the entire apartment located at apt f9, 6th story, 1st apartment from east at south
F9	11/18/2011	1/6/2012	B	568	9208397	4299505	no access: 1st attempt	11/16/2011	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of roaches in the entire apartment located at apt f9, 6th story, 1st apartment from east at south

Sponsor may be permitted under the Reserve Fund Law to take a credit against the Reserve Fund for certain work performed in connection with rectifying certain conditions; notwithstanding the foregoing, however, Sponsor is under no obligation to perform any of the foregoing work and makes no representation that it will perform any such work.

The New York City Façade Inspection Safety Program (“FISP”) formerly known as Local Law 11 of 1998, requires property owners of buildings greater than 6 stories to have the facades of their buildings periodically inspected and perform remedial work as determined by the licensed engineer performing the required inspections. This Building is not required to file a FISP report. Sponsor makes no representations regarding future expenditures which may be required to comply with FISP or the costs of the inspections therefore.

In accordance with the provisions of 13 NYCRR 23.7(cc) (the “Asbestos Regulations”), a copy of the most recent Asbestos Report, as prepared by Singer Environmental Group, LTD for the Property, is set forth in Part II of this Plan. Sponsor requested Singer Environmental Group Ltd. to perform such tests as are necessary to determine whether asbestos containing material (“ACM”) is present in insulating or fireproofing material anywhere in the Building. Said firm has prepared a report on ACM on the Building (the “Asbestos Report”) which indicates no presence of visible and/or friable ACM in the Building.

Except as otherwise expressly provided in this Plan, Sponsor’s obligation to make repairs in any Residential Unit shall cease upon the closing of title to such Residential Unit. Sponsor will, however, Maintain and operate the Building until the First Closing in substantially the same manner and condition as on the Filing Date of this Plan (subject to ordinary wear and tear), except to the extent that Sponsor is precluded from so doing by Acts of God, fire or other casualty, storm, strikes, lockouts, labor difficulties, riots, insurrection, inability to obtain materials, equipment or labor, governmental restrictions or any other acts over which Sponsor is reasonably unable to exercise control. If for any of the reasons set forth in the preceding sentence, other than fire or other casualty, Sponsor is prevented from so Maintaining the Building and the Common Elements (or causing the same to be Maintained), Sponsor shall make or cause to be made, within a reasonable period of time after such act ceases to exist, any repairs subsequent to the First Closing that it was obligated and agreed to make prior to the First Closing.

Under Federal Law, Sponsor must provide Purchasers with all available records and material pertaining to lead-based paint and/or lead-based hazards in the Building. Based on the age of the Building, it is presumed that there is lead paint and/or lead based hazards in the Building, however, except as may be set forth in the Architect’s Report, Sponsor is not aware of, and has no records or materials pertaining to, any lead-based paint or lead-based paint hazards in the Building that need to be remedied. Sponsor will comply with applicable Law concerning the use of lead-based paint. Set forth as an Exhibit in Part II of this Plan is a copy of the booklet issued by the United States Environmental Protection Agency, EPA 747-K-95-001, which details certain information regarding lead-based paint. In accordance with the terms of the rider annexed to the Agreement, Purchasers have the right to inspect their Residential Units for the presence of lead-based paint. Please refer to the Agreement set forth in Part II of this Plan for further details.

PART II

**THE CROWN12 CONDOMINIUM
12-34 CROWN STREET
BROOKLYN, NEW YORK 11225**

EXHIBIT 1

PURCHASE AGREEMENT

**PURCHASE AGREEMENT
THE CROWN12 CONDOMINIUM
12-34 CROWN STREET
BROOKLYN, NEW YORK 11225**

Residential Unit: _____ Interest in Common Elements: _____

Sponsor: 12 Realty Associates LLC, One Penn Plaza, Suite 4000, New York, New York 10119
Telephone: 212-564-2111

Attorney for Sponsor and Escrow Agent: Pryor Cashman LLP / Attn: Ronald B. Kremnitzer, Esq. and
Barry C. Landsman, Esq., 7 Times Square, New York, NY 10036-6569 Telephone: 212-421-0254

Purchaser(s): _____ and _____

Social Security Number(s): _____ and _____

Purchaser(s) Address: _____

Attorney for Purchaser: _____

Firm: _____

Address: _____

Telephone: _____ Fax: _____

Email: _____

Selling Agent: Keller Williams NYC, 1155 Avenue Of The Americas, 6th Fl, New York, New York /
212-838-3700

Co-Broker: _____

TENANT – PURCHASER: Yes (☐) No (☐)

PURCHASE PRICE: \$ _____

DOWN PAYMENT: \$ _____

BALANCE DUE AT CLOSING: \$ _____

PURCHASER INITIALS: _____

RESIDENTIAL UNIT NUMBER

—

OF
PURCHASE AGREEMENT
THE CROWN12 CONDOMINIUM
12-34 CROWN STREET
BROOKLYN, NEW YORK 11225

(to be executed in quintuplicate)

This agreement (this "Agreement"), is made as of the date on the signature page of this Agreement, between 12 Realty Associates LLC, a New York limited liability company, having an office c/o Pinnacle Managing Co., LLC, One Penn Plaza, Suite 4000, New York, New York 10119 ("Sponsor"), and _____, having an address at _____ (collectively, "Purchaser").

WITNESSETH:

1. THE PLAN. Purchaser acknowledges having received and read the Offering Plan for The Crown12 Condominium and all amendments thereto, if any, filed with the Department of Law of the State of New York (collectively, the "Plan") at least three (3) business days prior to Purchaser's signing this Agreement, unless fewer than three (3) business days remain in the statutory time period to declare the Plan effective. If Purchaser is not a Tenant Purchaser, Purchaser understands that if Purchaser has not been afforded at least three (3) business days prior to Purchaser's signing this Agreement to receive and read the Plan and all filed amendments prior to Purchaser's signing this Agreement, then in such event, Purchaser shall have seven (7) days after delivering this Agreement together with the Deposit (as hereinafter defined) to rescind this Agreement and have the Deposit refunded promptly by either personally delivering a written notice of rescission to Sponsor or the Selling Agent within the seven (7) day period or mailing the notice of rescission to Sponsor or the Selling Agent and having the mailing postmarked within the seven (7) day period. The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the provisions of the Plan will govern and be binding.

2. DEFINITIONS. Capitalized terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. THE RESIDENTIAL UNIT. Upon and subject to the terms and conditions set forth herein, Sponsor agrees to sell and convey, and Purchaser agrees to purchase, the Residential Unit (the "Residential Unit") designated as Residential Unit _____ in the Declaration, together with the percentage undivided interest in the Common Elements of the Condominium appurtenant thereto.

4. PURCHASE PRICE

4.1 The purchase price for the Residential Unit (the "Purchase Price") is \$_____.

The Purchase Price is payable as follows:

(a) \$1,000.00 (for a Tenant-Purchaser) or \$_____, which is 10% of the Purchase Price (for all others) (the "Deposit"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged.

(b) \$_____, constituting the balance of the Purchase Price (the "Balance"), by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association. Checks for the Deposit shall be made payable to "Pryor Cashman LLP, Escrow Agent." Checks for the Balance shall be made payable to the direct order of "12 Realty Associates LLC" or such other party as Sponsor may designate upon not less than two (2) days' prior notice. If any check is returned for insufficient funds or any other reason, Sponsor, at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Deposit, as liquidated damages, or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 14 hereof.

5. CLOSING OF TITLE.

5.1 The closing of title shall be held at such place in the City and State of New York and on such date and hour as Sponsor may designate to Purchaser on notice served not less than thirty (30) days prior to the scheduled date for closing. If Sponsor consents to close at any other location as an accommodation to Purchaser, Purchaser shall pay to Sponsor's attorneys at closing an extra fee as set forth in the Plan. Sponsor, from time to time, may adjourn the date and hour for closing on written notice to Purchaser. In the event of such adjournment, a closing may be rescheduled by Sponsor upon written notice to Purchaser, which notice shall fix a new date, hour and place for the closing of title and will be given not less than two (2) business days prior to the new scheduled date and time for closing. In the event this Agreement is executed after the First Closing, the closing of title shall occur thirty (30) days after the date this Agreement is executed.

5.2 The closing of title shall occur only after or concurrently with compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

5.3 The term "Closing Date" or "closing of title" or words of similar import whenever used herein shall mean the date designated by Sponsor on which the deed to the Residential Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

6. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Residential Unit to Purchaser. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes and, if applicable, the New York State Additional Tax pursuant to Article 31 of the Tax Law (commonly referred to as the "Mansion Tax"), and Sponsor and Purchaser shall duly execute New York State and New York City Real Property Transfer Tax returns and any other forms then required by Law, all of which shall be prepared by Sponsor.

6.2 At the closing of title and simultaneously with the delivery of the deed conveying the Residential Unit to Purchaser, Purchaser shall execute and acknowledge the Power of Attorney to the Board and Sponsor substantially in the form set forth as Exhibit E to the Declaration in Part II of the Plan.

6.3 The deed and Power of Attorney to the Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Managing Agent.

6.4 Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the relevant section of the Internal Revenue Code and each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with IRC §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

7. FEE TITLE. At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Residential Unit, free and clear of all encumbrances other than those expressly agreed to by Purchaser or set forth in Schedule A annexed hereto and made a part hereof. Any other title encumbrance shall not be an objection to title if (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the attendant recording or filing fee, if any, or (b) Commonwealth Land Title Insurance Company, having an office at 2 Grand Central Tower, 140 East 45th Street, 22nd Floor, New York, New York 10017, Tel: 212-949-0100, Fax: 212-983-8430 (or such other title insurance company as Purchaser may utilize), is or would be willing, in a fee policy issued by it to Purchaser, to insure Purchaser that such encumbrance will not be collected out of the Residential Unit if it is a lien, or will not be enforced against the Residential Unit if it is not a lien.

8. CLOSING ADJUSTMENTS AND REAL ESTATE TAXES.

8.1 Subject to Paragraph 14.3 hereof, the following adjustments shall be made as of midnight of the day preceding the Closing Date with respect to the Residential Unit:

- (a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;
- (b) Common Charges for the month in which title closes; and
- (c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Residential Unit.

8.2 If closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If the Residential Unit has not been separately assessed as of the Closing Date, the adjustments and collection of taxes under subsection 8.1(a) hereof and future tax payments shall be as described in the Section of the Plan entitled "Closing Costs and Adjustments."

8.3 Sponsor and Purchaser hereby agree that, if Sponsor or Purchaser obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on the Residential Unit, Purchaser

and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Residential Unit. The provisions of this subsection shall survive the closing of title.

8.4 The “Customs in Respect of Title Closings” recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

8.5 Any errors or omissions in computing apportionments at the Closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the Closing.

9. CLOSING COSTS. In addition to those costs and adjustments described in Article 8 herein, Purchaser shall be required to pay the other closing costs which are Purchaser’s responsibility as more particularly described in Part I of the Plan entitled “Closing Costs and Adjustments.”

10. ESCROW AND ESCROW PROVISIONS .

10.1 Any Deposit received from Purchaser will be held in accordance with the provisions of this Article 10 and the Subsection entitled “Escrow and Trust Fund Requirements” under the Section entitled “Procedure to Purchase” set forth in Part I of the Plan. By signing this Agreement, Purchaser will not object and will be deemed to have agreed, without the need for a further written agreement, to the release of the Deposit to Sponsor in the event Sponsor and Purchaser close title under this Agreement. Sponsor is required by Law to submit a Form 1099 to the Internal Revenue Service reporting interest earned on Purchaser’s Deposit, if any. Purchaser will be taxed accordingly on any such interest.

10.2 The law firm of Pryor Cashman LLP, with an address at 7 Times Square, New York, New York 10036-6569, telephone number (212) 421-4100, shall serve as escrow agent (“Escrow Agent”) for Sponsor and Purchaser. The individuals set forth in the “Procedure to Purchase” Section of the Plan have been designated by Escrow Agent to serve as signatories, none of whom has any interest in Sponsor. Neither Escrow Agent nor any authorized signatories on the account are Sponsor, Selling Agent, Managing Agent or any principal thereof, or have any beneficial interest in any of the foregoing.

10.3 Escrow Agent and all authorized signatories hereby submit to the jurisdiction of the State of New York and its Courts for any cause of action arising out of this Agreement or otherwise concerning the maintenance of release of the Deposit from escrow.

10.4 Escrow Agent has established a master escrow account at Citibank, N.A., located at 666 5th Avenue, 5th Floor, New York, New York 10103, in the State of New York (the “Bank”), a bank authorized to do business in the State of New York. The escrow account is entitled Pryor Cashman LLP, Attorney Trust Account (the “Master Escrow Account”). All Deposits will be placed initially in the non-interest bearing portion of the Master Escrow Account. Each Purchaser is required to deliver a completed and signed Form W-9 (Request for Taxpayer Identification Number) or a Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding) in the form set forth in Part II of this Plan, as applicable, to Sponsor or Selling Agent at the time Purchaser tenders the Deposit and this Agreement. If a Deposit is accompanied by a completed and signed Form W-9 or Form W-8BEN, the Deposit will thereafter be promptly transferred to an individual interest bearing sub-escrow savings account in the name of Purchaser. If a Purchaser does not deliver the Form W-9 or Form W-8BEN, the Deposit will remain in the non-interest bearing portion of the Master Escrow Account. At such time as the Deposit is released, the Deposit will be transferred from the individual sub-escrow savings account to

the non-interest bearing portion of the Master Escrow Account so that checks may be drawn thereon. The Bank is covered by federal bank deposit insurance to a maximum of \$250,000.00 and while a Deposit is in the checking portion of the Master Escrow Account, the Deposit may not be fully federally insured even if the Deposit does not exceed \$250,000.00. No representation or guaranty is made by Sponsor that the Federal Deposit Insurance Corporation will insure any depositor's funds, if and when called upon to do so.

10.5 The interest rate for all deposits made into a sub-escrow savings account shall be the prevailing rate for such accounts. Interest shall begin to accrue upon placing the Deposit into its designated sub-escrow savings account. All interest earned thereon shall be paid to or credited to Purchaser at Closing. No fees of any kind may be deducted from the Master Escrow Account, and Sponsor shall bear all costs associated with the maintenance of the Master Escrow Account. Prior to release of the Deposit, Escrow Agent's fees and disbursements shall neither be paid by Sponsor from the Deposit nor deducted from the Deposit by any financial institution under any circumstance.

10.6 Sponsor agrees that Sponsor and its agents, including Selling Agent, shall deliver the Deposit received by them prior to Closing of the Residential Unit or a designated attorney who is a member of or employed by Escrow Agent, within 2 business days of tender of the Deposit by Purchaser. Within 5 business days after this Agreement has been tendered to Escrow Agent along with the Deposit, Escrow Agent shall sign this Agreement and place the Deposit into the Master Escrow Account. Within 10 business days of the placing the deposit in the Master Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. If Purchaser does not receive notice of such deposit within 15 business days after tender of the Deposit, he or she may cancel this Agreement within 90 days after tender of this Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, N.Y. 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Master Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to Purchaser.

10.7 All deposits, including the Deposit, but specifically excluding any deposits made in connection with advances made for upgrades, extras or custom work received in connection with this Agreement, are and shall continue to be Purchaser's money, and may not be comingled with any other money or pledged or hypothecated by Sponsor, as per GBL § 352-h. 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.

10.8 Escrow Agent shall release the Deposit if so directed: (a) pursuant to the terms and conditions set forth in this Article 10 upon the closing of title to the Residential Unit ; (b) in a subsequent writing signed by both Sponsor and Purchaser or (c) by a final, non-appealable order or judgment of a court. Additionally, Sponsor shall not object to the release of the Deposit to: (i) a Purchaser who timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan or (ii) all Purchasers after an Amendment abandoning the Plan is accepted for filing by the Department of Law.

10.9 If Escrow Agent is not directed to release the Deposit pursuant to Section 10.8 paragraphs (a) through (c) above, and Escrow Agent receives a request by either party to release the Deposit, then Escrow Agent must give both Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released

and Escrow Agent shall provide further written notice to both parties informing them of said release. If Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to Section 10.8 (a) through (c) above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Master Escrow Account with the clerk of the county where the Residential Unit is located and shall give written notice to both parties of such deposit. Under no circumstances shall Sponsor seek or accept release of the Deposit of a defaulting Purchaser until after consummation of the Plan, as evidenced by the acceptance of a post-closing Amendment by the New York State Department of Law. Consummation of the Plan does not relieve Sponsor of its obligations pursuant to GBL §§ 352-e(2-b) and 352-h.

10.10 A fiduciary relationship shall exist between Escrow Agent and Purchaser, and Escrow Agent acknowledges its fiduciary and statutory obligations pursuant to GBL §§ 352(e)(2-b) and 352(h). Sponsor agrees that it shall not interfere with Escrow Agent's performance of its fiduciary duties and statutory obligations as set forth in GBL §§ 352-(e)(2-b) and 352-(h) and the New York State Department of Law's regulations.

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

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

10.13 Sponsor agrees to defend, indemnify and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Agreement or the performance or non-performance of Escrow Agent's duties under this Agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Agreement or involving gross negligence of Escrow Agent. This indemnity includes, without limitation, disbursements and attorneys' fees either paid to retain attorneys or representing the hourly billing rates with respect to legal services rendered by Escrow Agent to itself.

10.14 Escrow Agent shall not be bound by any modification, cancellation or rescission of this Agreement unless the same is in writing and signed by all parties hereto. In no event, however, shall any modification of this Agreement that shall affect the rights or duties of Escrow Agent be binding on Escrow Agent unless Escrow Agent shall have given its prior written consent.

10.15 Seller and Purchaser agree that Escrow Agent shall not be restricted in any manner whatsoever from acting as attorney for Seller with respect to any matter and consent to Escrow Agent so acting as attorney for Seller with respect to any matter, including, but not limited to, any litigation or matter related to this Agreement, the Deposit or the transaction contemplated by this Agreement, and whether or not there is a controversy between Seller and Purchaser with respect thereto.

11. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

12. AGREEMENT SUBJECT TO BUILDING MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage heretofore or hereafter made, any advances heretofore or hereafter made thereon and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Residential Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date. The existence of any mortgage or mortgages encumbering the Property or portions thereof, other than the Residential Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

13. RENT SECURITY DEPOSIT. If Purchaser is or hereafter becomes a tenant of the Residential Unit, Purchaser's unapplied rent security deposit, if any, will be refunded to Purchaser, together with any interest earned thereon, within forty-five (45) days following the Closing, provided Purchaser is not in default under Purchaser's lease or tenancy obligations. If the Residential Unit is occupied by anyone other than Purchaser, then the unapplied security deposit (if any) of the tenant or occupant will be transferred at the Closing to Purchaser, who will upon receipt, sign and deliver to Sponsor an agreement acknowledging the amount received, indemnifying Sponsor from all liability in connection therewith and agreeing to hold such security deposit in trust and to deposit same in an interest-bearing bank account pursuant to the provisions of Section 7-103 of the New York General Obligations Law (such agreement to be in form and substance satisfactory to Sponsor). In either event, Sponsor will have the right to deduct from any tenant's security deposit the amount of any rent arrearage owing to Sponsor and to sue the tenant to the extent such rent security is insufficient.

14. DEFAULT BY PURCHASER.

14.1 The following shall constitute an "Event of Default" hereunder:

- (i) If Purchaser fails to pay the Balance on the Closing Date designated by Sponsor; or
- (ii) If Purchaser fails to duly complete and sign before a notary public and deliver at the Closing the Power of Attorney and/or the New York State and City transfer tax returns; or
- (iii) If Purchaser is or becomes the tenant of record of the Residential Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

- (iv) If Purchaser is or becomes the tenant of record of the Residential Unit and Purchaser vacates or abandons the Residential Unit ; or
- (v) If Purchaser assigns any of Purchaser's property for the benefit of creditors, or Purchaser files a voluntary petition in bankruptcy; or
- (vi) If a bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or
- (vii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or
- (viii) If Purchaser fails to pay any closing costs set forth in this Agreement or the Plan on the Closing Date designated by Sponsor; or
- (ix) If Purchaser fails to pay, perform or observe any of Purchaser's other obligations hereunder.

14.2 TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the Balance and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided, or fails to perform any of Purchaser's other obligations hereunder, Sponsor may give notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Residential Unit) as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan, and (b) Sponsor may sell the Residential Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

14.3 If Purchaser fails for any reason to close title to the Residential Unit on the originally scheduled Closing Date, (a) the closing apportionments described in Section 8.1 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Residential Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, an amount equal to 0.05% of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Residential Unit on the rescheduled Closing Date.

15. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

15.1 The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section of the Plan

entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

15.2 If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan is not consummated for any reason, this Agreement will be deemed canceled and the Deposit paid by Purchaser hereunder will be disbursed to Purchaser, subject to Sponsor's rights to retain certain funds deposited by Purchaser for any special work in the Residential Unit, as more particularly described in the Section of the Plan entitled "Effective Date." After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and the parties hereto will be released and discharged from all liabilities and obligations hereunder and under the Plan.

16. SPONSOR'S INABILITY TO CONVEY THE RESIDENTIAL UNIT. If Sponsor is unable to deliver title to the Residential Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy will be to either (a) take title to the Residential Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor will, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser the Deposit paid by Purchaser hereunder, subject to Sponsor's rights to retain certain funds deposited by Purchaser for any special work in the Residential Unit, as more particularly described in the Section of the Plan entitled "Terms of Sale," and, upon making such payment, this Agreement will be terminated and neither party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

17. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. At closing, the Residential Unit will contain only those appliances, countertop, cabinets, sinks, air conditioning units (if any), hardware and other fixtures, equipment and appliances currently installed therein that are owned by Sponsor. The Residential Unit is being sold unfurnished. Any appliances, air conditioning units, furnishings, equipment, fixtures and other personal property owned by any tenant of the Residential Unit are not included in this sale. However, if the Residential Unit is presently occupied by other than Purchaser and the existing tenant removes a stove, dishwasher and/or refrigerator belonging to him, then Sponsor agrees to supply a replacement, which may not be new, but will be in working order and similar in size and quality to the stoves, dishwashers and refrigerators owned by Sponsor that are contained in comparable Residential Units in the Building on the Filing Date of the Plan. Furniture, wall coverings, furnishings, decorations and the like in or about any model unit are for display purposes only and are not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Residential Unit's dimensions and arrangement, and Purchaser should not rely thereon.

18. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property (as represented by Sponsor in the Plan) including the Building, the Common Elements, the Residential Unit and all fixtures, machinery, equipment, furnishings, installations and other personal property contained therein (collectively,

"Installations"), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser acknowledges having read the Description of Property, which sets forth a description of the physical condition of the Building, set forth in Part II of the Plan. Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Residential Unit or the Installations, except as may otherwise be expressly set forth in the Plan. Sponsor has agreed in the Plan to Maintain the Building and the Common Elements in substantially the same condition they were in on the Filing Date, until the First Closing (subject to ordinary wear and tear between the Filing Date and the First Closing), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan. To the maximum extent lawful, all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character are specifically disclaimed. Unless caused by a violation of the Sound Transmission Code or other applicable code, there is no warranty as to sound transmission. Unless caused by a violation of an applicable code with regard to the ventilation system or other applicable code, there is no warranty as to odors. Unless caused by a code violation, there is no warranty with respect to mold, mildew, spores, fungi or other toxins. There is no warranty as to view or light quality. Sponsor has not given and Purchaser has not relied on or bargained for any of the foregoing warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise). Purchaser shall be given a reasonable opportunity to examine the Residential Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. If Purchaser fails to examine the Residential Unit as aforesaid, Purchaser shall be deemed to have accepted the Residential Unit in good condition and in accordance with the terms of the Plan or Sponsor reserves the right to postpone the scheduled Closing, in its sole discretion. If Purchaser is not the existing tenant or occupant of the Residential Unit, Purchaser acknowledges that Purchaser must make arrangements to move into the Residential Unit following the Closing and Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

19. DAMAGE TO THE RESIDENTIAL UNIT. If the Residential Unit is damaged by fire or other casualty between the date of this Agreement and the closing of title, the following shall apply:

19.1 If Purchaser is the existing tenant or occupant of the Residential Unit, or if Purchaser is given possession of the Residential Unit prior to closing under an Interim Lease or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Residential Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Residential Unit or its Installations. However, until closing, Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease and, after closing, the Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws.

19.2 If during Purchaser's occupancy the Residential Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Residential Unit and did not result from the acts of Purchaser or other occupants of the Residential Unit or Purchaser's guests, invitees or workmen. If Purchaser is obligated to repair the damage then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

19.3 Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the

damage or restore the Residential Unit. If Sponsor elects to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Residential Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Board to complete, such repairs or replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Residential Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Board or other Residential Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

19.4 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Residential Unit or if the Board does not do so and Purchaser declines to accept the Residential Unit without such repairs, this Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall be entitled to retain the Deposit in accordance with the terms of this Agreement.

20. NO REPRESENTATIONS. All prior understandings and agreements are hereby superceded and merged into this Agreement, which contains the final and entire understanding and agreement between Purchaser and Sponsor. Neither Purchaser nor Sponsor shall be bound by any terms, conditions, statements or representations, oral or written, not set forth in this Agreement or in the Plan. This Agreement may only be changed by a written document signed by both Purchaser and Sponsor. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Residential Unit, the Common Elements or any other part of the Property, other than as expressly set forth herein or in the Plan.

21. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title, Purchaser (except if a Tenant Purchaser) agrees not to list the Residential Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Residential Unit for sale or lease, without Sponsor's prior written consent.

22. BROKER. Purchaser represents to Sponsor that Selling Agent and [] is [are] the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker(s) pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned broker(s), on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article 22 shall survive the closing of title.

23. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Agreement

and shall be subject to the provisions, prohibitions and terms of this paragraph concerning assignment of this Agreement. [For purposes of this Agreement, it is the intent of the parties that the individuals controlling Purchaser shall be deemed to be _____.] Any purported assignment by Purchaser in violation of this Agreement will constitute a default hereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser will be required to pay Sponsor's attorneys a fee of \$500, in advance, for the preparation of an assignment agreement.

Notwithstanding the foregoing paragraph, if Purchaser is a Tenant Purchaser, Purchaser shall have the right to assign his or her executed Agreement one time to any individual, provided that:

- (1) Quintuplicate copies of this Agreement are executed by the Tenant Purchaser and the Deposit is paid by the Tenant Purchaser to Sponsor;
- (2) The Tenant Purchaser shall not be in default under his or her Agreement;
- (3) Quintuplicate copies of the Assignment and Assumption Agreement, in the form annexed hereto and made a part hereof as Exhibit A, are executed by the Tenant Purchaser and the assignee and are delivered to the Selling Agent no later than thirty (30) days prior to the Closing Date;
- (4) Quintuplicate copies of the Affidavit, in the form annexed hereto as Exhibit B, are executed by the assignee and are delivered to the Selling Agent no later than thirty (30) days prior to the Closing Date;
- (5) The Tenant Purchaser's existing lease is in good standing and not in default;
- (6) The assignor pays \$500 to Pryor Cashman LLP, counsel to the Sponsor, for legal services rendered in connection with the assignment; and
- (7) If an assignment of this Agreement is made prior to the time the Plan is declared effective, such assignment will only become effective after the Plan is declared effective.

24. SALE SUBJECT TO EXISTING TENANCY.

Unit: 24.1 Complete the following only if Purchaser is not the tenant of the Residential

Residential Unit is Vacant: Yes () No ()

If Residential Unit is Occupied: Monthly Rent: \$ _____

Current Lease Term Expires: _____
or month-to-month ()

Rent Security \$ _____

Residential Unit is Occupied by a Non-Purchasing Tenant: Yes () No ()

24.2 Purchaser understands and agrees that (i) the Residential Unit being sold hereunder is subject to the lease or tenancy of the present tenant and the rights afforded under Section 352-eeee of the New York State General Business Law (the “GBL”), as explained more fully in the Plan under the Section entitled “Rights of Existing Tenants” and (ii) Purchaser and Purchaser’s successors and assigns shall continue to be bound by such Law and regulations so long as such occupancy continues.

24.3 Purchaser further understands, as explained in the Plan, that if a Non-Purchasing Tenant is in possession of the Residential Unit on the Closing Date hereunder, Purchaser must notify the Non-Purchasing Tenant of the change in ownership of the Residential Unit promptly after the Closing Date and Purchaser will assume the rights and obligations of Sponsor as the landlord of such tenant, including the right to collect rent (whether the same be greater or less than the Common Charges established from time to time by the Board) and the obligation to Maintain the Residential Unit (including its equipment and appliances) for the benefit of the existing tenant. From and after delivery of the deed, Purchaser alone will bear the entire costs and expenses of owning the Residential Unit (including, but not limited to, any legal fees and litigation expenses for enforcing the lease and obtaining possession of the Residential Unit).

24.4 Purchaser understands that if the tenant of the Residential Unit exercises any right granted under the Plan (or any amendment thereto) or under the Rent Laws or the GBL or other applicable Law, which may or may not exist as of the date of this Agreement, or any administrative or judicial interpretation thereof, to purchase the Residential Unit, then upon the closing of such purchase, this Agreement shall be deemed canceled and within thirty (30) days after the occurrence of such event all monies paid by Purchaser hereunder shall be refunded. Upon such repayment, Purchaser, Sponsor, the Selling Agent and any other party hereto shall be (and hereby are) released and discharged of all liability or obligations hereunder and under the Plan.

24.5 Purchaser hereby irrevocably appoints the then managing agent of the Building (which managing agent may be replaced from time to time by the Board) as his agent, coupled with an interest, to provide, for the account and at the expense of Purchaser, all services and facilities required by Law on a non-discriminatory basis to the Non-Purchasing Tenant who has the right to occupy the Residential Unit Purchaser is purchasing until such time as such right of occupancy terminates. Purchaser agrees to deposit with the managing agent at the closing hereunder a sum not less than an amount equal to the greater of (i) two (2) months’ Common Charges or (ii) two (2) months’ rent to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant’s lease and those required by the GBL. Purchaser agrees that upon written notice by the then managing agent that such deposit has been diminished, that Purchaser shall replenish such fund within thirty (30) days thereafter. Purchaser further understands that Sponsor will guarantee the obligation of the then managing agent to provide all such services and facilities until such time as Sponsor surrenders control of the Board and Purchaser will indemnify Sponsor for all costs expended by Sponsor on Purchaser’s behalf. The provisions of this paragraph shall survive the closing.

25. TENANT PURCHASER’S RIGHT TO BENEFIT FROM IMPROVED TERMS. If, prior to the expiration of any Exclusive Purchase Period which begins prior to the First Closing, Sponsor amends the terms and conditions of the Plan to be more favorable to Tenant Purchasers, then if Purchaser is a Tenant Purchaser who executed and submitted this Agreement and the Deposit before Sponsor amended the terms of the Plan, Purchaser shall benefit from the more favorable terms and conditions.

26. PURCHASER’S REPRESENTATIONS.

26.1 If Purchaser was a tenant in occupancy of the Residential Unit on the Filing Date, Purchaser hereby represents that this Agreement was executed and delivered by Purchaser pursuant to an offering made without a discriminatory repurchase agreement or other discriminatory inducement.

26.2 If the Residential Unit to which this Agreement relates is not occupied by Purchaser, Purchaser shall duly complete and sign before a notary public the Bona Fide Purchaser Statement of Purchase set forth as Schedule B hereto and deliver same to the Selling Agent together with this Agreement.

26.3 If Purchaser is not a Tenant Purchaser, Purchaser acknowledges and agrees that Sponsor may desire to obtain certain information about Purchaser's (or Purchaser's principals) character, general reputation, finances, personal characteristics and mode of living prior to counter-executing this Agreement and in order to permit Sponsor to comply with the requirements of the Fair Credit Reporting Act, Purchaser hereby authorizes Sponsor, if Sponsor elects in its sole discretion, to obtain such information and to retain a credit reporting agency to obtain such information.

27. BINDING EFFECT. If Purchaser was a Tenant Purchaser of the Residential Unit on the Filing Date, this Agreement shall be accepted by Sponsor, provided Purchaser signs and returns this Agreement, together with the Deposit, during the time within which Purchaser has the exclusive right to purchase the Residential Unit as set forth in the Plan. If Purchaser was a Tenant Purchaser of the Residential Unit on the Filing Date, and signs and returns this Agreement, together with the requisite Deposit, after the period during which Purchaser has the exclusive right to purchase the Residential Unit, or if Purchaser is not the tenant of record of the Residential Unit, this Agreement shall not be binding upon Sponsor until a duplicate hereof, executed by Sponsor or its duly authorized agent, is delivered to Purchaser or Purchaser's attorney. In any such case, unless this Agreement, executed as aforesaid, is delivered to Purchaser within thirty (30) days after same is received by Sponsor or the Selling Agent, it shall be deemed rejected and neither party shall have any further rights or obligations hereunder with respect to the other, except that Sponsor shall be obligated to refund all monies paid by Purchaser within fifteen (15) days after such cancellation. Sponsor shall have the right to reject this Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, race, creed, color, national origin, ancestry or other ground proscribed by Law.

28. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan, which shall be served in accordance with the Plan or documents for which the method of notice and/or delivery is otherwise set forth in the Plan) shall be in writing and delivered by regular mail as well as hand-delivered or sent, postage prepaid, by registered or certified mail, or by Fedex or other reputable overnight courier, to Purchaser at the address given at the beginning of this Agreement, and to Sponsor at the address given at the beginning of this Agreement, with a copy to Pryor Cashman LLP, 7 Times Square, New York, New York 10036-6569, Attn.: Ronald B. Kremnitzer, Esq. and Barry C. Landsman, Esq. in the same manner as notice is given to Sponsor, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery, mailing or delivery to an overnight courier shall be deemed to be the date of the giving of notice, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's counsel is hereby expressly designated and empowered to issue). A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in any way invalidate such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the rescheduling of Closing Dates or the scheduling or rescheduling of inspections, may be made by facsimile to each party's attorney.

29. JOINT PURCHASERS. The term “Purchaser” shall be read as “Purchasers” if more than one person are purchasers, in which case their obligations shall be joint and several.

30. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser’s acceptance of the deed for the Residential Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 23 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and GBL §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

31. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

32. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser’s obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof), and Purchaser understands and agrees that Purchaser’s failure to obtain such financing will not relieve Purchaser of Purchaser’s obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance Purchaser’s purchase of the Residential Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination or such commitment, nor any change in Purchaser’s financial status or condition shall release or relieve Purchaser of Purchaser’s obligations pursuant to this Agreement.

33. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor’s rights under this Agreement (where Sponsor is the prevailing party) or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser’s obligations hereunder.

34. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

35. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

36. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

37. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN, THIS AGREEMENT OR THE

RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE CLOSING OF TITLE.

38. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

39. CERTAIN REFERENCES. Any reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Paragraphs, Sections, subsections or other provisions are references to Paragraphs, Sections, subsections or other provisions of this Agreement.

40. CAPTIONS. The captions in this Agreement are for convenience of reference only and in no way define, limit or describe the scope of this Agreement or the intent of any provision hereof.

41. RULE OF CONSTRUCTION. There shall be no presumption against the draftsman of this Agreement.

42. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

43. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

44. LEAD-BASED PAINT DISCLOSURE. Annexed hereto and incorporated herein as Schedule C is the "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" required to be executed pursuant to the provisions of Federal regulation.

45. COUNTERPARTS This Agreement may be executed in any number of counterparts, including counterparts transmitted by facsimile or pdf, any one of which shall constitute an original of the Agreement and this Rider. When counterparts or facsimiles or pdf's have been executed by all parties, they shall have the same effect as if the signatures to each counterpart or copy were upon the same documents and shall be deemed valid as originals. The parties agree that all such signatures may be transferred to a single document upon the request of any party. The Agreement shall not be binding unless and until it shall be fully executed and delivered by all parties hereto. In the event that the Agreement is executed and delivered by way of facsimile or pdf transmission, each party delivering a facsimile or pdf counterpart shall promptly deliver an ink-signed original counterpart of the Agreement to the other party by overnight courier service; provided however, that the failure of a party to deliver an ink-signed original counterpart shall not in any way effect the validity, enforceability or binding effect of a counterpart executed and delivered by facsimile or pdf transmission.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Date: _____

(To be inserted after
execution by Sponsor)

SPONSOR:

12 REALTY ASSOCIATES LLC

By: _____

Name:

Title: Authorized Signatory

PURCHASER:

(Social Security or Federal I.D. Number)

Telephone No. _____

(Social Security or Federal I.D. Number)

Telephone No. _____

ESCROW AGENT:

PRYOR CASHMAN LLP

(only with respect to its obligations under Section 10)

By: _____

, Partner

SCHEDULE A

PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey of the Building and the Residential Unit would show, provided such state of facts would not make title to the Residential Unit uninsurable, 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 Purchaser to the Board, and the Floor Plans; as all of the same may be amended from time to time.
4. Consents by Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.
5. Any easement or right of use in favor of any utility company for construction, use, maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under or 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 Residential Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge, 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 Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and Purchaser shall pay all assessments due from and after the Closing Date.
11. Any declaration or other instrument affecting the Property which Sponsor deems necessary or appropriate to comply with any law 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 Commonwealth Land Title Insurance Company (or such other New York Board of Title Underwriters member title insurance company which insures Purchaser's title to the Residential Unit) would be willing, in a fee policy issued by it to Purchaser, to insure

Purchaser that such encumbrance (1) will not be collected out of the Residential Unit if it is a lien or (2) will not be enforced against the Residential Unit if it is not a lien.

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 the Residential Unit for residential purposes.

14. Any lease covering the Residential Unit made from Sponsor to Purchaser, or if applicable, any lease covering, or tenancy or occupancy of, the Residential Unit and the rights of such tenant(s) and occupant(s), if any, under the Rent Laws, GBL or other applicable Law.

15. Any violation against the Property (other than the Residential Unit) which is the obligation of the Board or another Residential Unit Owner to correct.

16. Any other liens, encumbrances and title conditions set forth in the Residential Unit Owner's Specimen Title Policy set forth in Part II of the Plan.

SCHEDULE B**BONA FIDE PURCHASER
STATEMENT OF PURCHASE**

STATE OF NEW YORK)
) ss.:
COUNTY OF)

Re: Residential Unit ____
 The Crown12 Condominium
 12-34 Crown Street
 Brooklyn, New York 11225

The undersigned Purchaser(s) represent that Purchaser(s) intend that Purchaser(s) or one or more specified members of Purchaser's(s') immediate family intend to occupy the above referenced Residential Unit when it becomes vacant.

PURCHASER(S):

Signature

Signature

Subscribed and sworn to
before me this ____ day of
_____, 201 ____

Notary Public

INTENDED OCCUPANT(S)

Print Name

Print Name

SCHEDULE CDISCLOSURE OF INFORMATION ON
LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS

SALES

Lead Warning Statement

Every purchase of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (*Check (i) or (ii) below*):
- (i) ☐ Known lead-based paint and/or lead-based paint hazards are present in the housing (*explain*).
 - (ii) ☐ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing
- (b) Records and reports available to the seller (*Check (i) or (ii) below*):
- (i) ☐ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (*list documents below*).
 - (ii) ☐ Seller has no reports pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) _____ Purchaser has received copies of all information listed above.
- (d) _____ Purchaser has received the pamphlet **Protect Your Family from Lead in Your Home**.
- (e) Purchaser has (*Check (i) or (ii) below*):
- (i) ☐ Received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) ☐ Waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) _____ Agent has informed Seller of Seller's obligations under 42 U.S.C. 4852d and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Seller

Date

Purchaser

Date

Purchaser

Date

Agent

Date

EXHIBIT A**ASSIGNMENT AND ASSUMPTION AGREEMENT**

(to be executed in quintuplicate)

KNOW ALL MEN that _____ residing at Residential Unit No.____, 12-34 Crown Street, Brooklyn, New York 11225 ("Assignor"), for Ten (\$10.00) Dollars and other good and valuable consideration in hand paid by _____ residing at _____ ("Assignee"), the receipt and sufficiency of which are hereby acknowledged, does hereby assign, transfer and set over unto Assignee:

1. all of Assignor's right, title and interest in, to and under that certain Purchase Agreement dated _____, 201__ (the "Agreement") made by and between 12 Realty Associates, LLC (the "Sponsor"), and Assignor, as purchaser, for Residential Unit No.____, located at 12-34 Crown Street, Brooklyn, New York 11225;
2. (the "Premises"); and
3. the \$1,000.00 Deposit given in connection with such Agreement, and interest earned thereon, if any.

TO HAVE AND TO HOLD SAME unto Assignee, and Assignee's heirs, personal representatives, successors and permitted assigns, from and after the date hereof, forever, subject to all the terms, provisions and conditions contained in the Agreement.

Assignor represents to Assignee and to the Sponsor that (i) there are no claims, security interests or liens against the Agreement or the Deposit given thereunder, (ii) Assignor has not previously assigned, transferred or otherwise disposed of Assignor's interest in the Agreement or said Deposit, (iii) Assignor has full right and authority to assign the Agreement and said Deposit and (iv) Assignor is in good standing under his or her lease or tenancy, with all rent paid through the effective date of this Assignment.

Assignee represents to Assignor and to the Sponsor and agrees that:

1. Assignee or _____, a member of Assignee's immediate family, intends to occupy the Premises as soon as it is vacated by Assignor;
2. Assignee was not procured by Sponsor, the Selling Agent or the Managing Agent; and
3. Assignee has possessed for at least three (3) days and read the Offering Plan, as amended to date.

Assignee, by executing this Assignment, does hereby assume the payment and the performance of all obligations and duties of Assignor under and pursuant to the terms of the Agreement as if same had originally been executed by Assignee as the purchaser thereunder.

If more than one Tenant Purchaser executed the Agreement, then all such signatories to the Agreement must execute this Assignment.

IN WITNESS WHEREOF, Assignor and Assignee have executed this Assignment and Assumption Agreement this ____ day of _____, 20 ____.

Assignor

Assignor

Assignee

Assignee

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

EXHIBIT B**AFFIDAVIT**

(to be executed in quintuplicate)

STATE OF NEW YORK)
) ss:
 COUNTY OF _____)

_____ (“Assignee”), being duly sworn, deposes and says:

1. _____ residing at Residential Unit No. ____, 12-34 Crown Street, Brooklyn, New York 11225 (“Assignor”) assigned, transferred and set over unto Assignee all of Assignor’s right, title and interest in, to and under that certain Purchase Agreement dated _____, 201__ (the “Agreement”) made by and between 12 Realty Associates LLC, and Assignor, as purchaser, for Residential Unit No. ____, located at 12-34 Crown Street, Brooklyn, New York 11225 (the “Premises”);
2. Assignee or a member of Assignee’s immediate family, will personally occupy the Premises; and
3. Assignee was not procured by Sponsor, the Selling Agent, or the Managing Agent.

STATE OF NEW YORK)
) ss.:
 COUNTY OF _____)

On the ____ day of _____, in the year 201__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual (s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/ they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person(s) upon behalf of which the individual(s) acted, executed the instrument.

 Notary Public

RIDER TO AGREEMENT RE: STORAGE LOCKER LICENSE

**RIDER ATTACHED TO AND FORMING PART OF AGREEMENT BETWEEN SPONSOR
AND PURCHASER RE RESIDENTIAL UNIT ____ AT
12-34 CROWN STREET, BROOKLYN, NEW YORK 11225**

R-1. LICENSE.

(a) Sponsor agrees to sell and grant, and Purchaser agrees to purchase the right to use a Storage Locker for a purchase price of _____ Dollars (\$_____). At closing, Sponsor shall designate in its sole discretion, the Storage Locker which will be subject to such License. The License to use the Storage Locker shall be prepared by Sponsor substantially in the form set forth in Part II of the Plan.

(b) Upon execution of this Rider, Purchaser has delivered a check to Sponsor (subject to collection) in the amount of \$_____ representing the Deposit due in connection with the purchase of the Storage Locker License.

(c) Upon execution of the License, Purchaser shall pay to Sponsor the balance of the Purchase Price allocable to the License in the amount of \$_____.

R-2. ACCESS.

Purchaser may be required to place into escrow the balance of the purchase price for the Storage Locker License even though at Closing access may not be available for the area of the Building designated for such use.

R-3. DAMAGE TO THE STORAGE SPACE.

If there is a fire or other casualty to the Storage Space and Sponsor does not elect to repair or restore such area following such fire or casualty, then the Agreement shall be deemed modified to provide for the closing of title with respect to the Residential Unit and any other unaffected License(s) only. In such event, the Purchase Price shall be reduced by the amount of the Purchase Price allocated to the affected License(s).

R-4. DEFINITIONS.

All capitalized terms used in this Rider not defined herein shall have the same meanings ascribed to them in the Agreement to which this Rider is annexed or in the Plan.

R-5. CONFLICTS.

In the event of any inconsistency between the provisions of this Rider and those contained in the Agreement to which this Rider is annexed, the provisions of this Rider shall govern and be binding.

SPONSOR:

12 REALTY ASSOCIATES LLC

By: _____

Name:

Title: Authorized Signatory

PURCHASER(S):

STORAGE LOCKER LICENSE

LICENSE made this ____ day of _____, 20__ (this "License") by and between **The Board of Managers of The Crown12 Condominium**, acting on behalf of all Residential Unit Owners, having an address at 12-34 Crown Street, Brooklyn, New York 11225 (the "Condominium Board" or "Licensor"), and _____, having an address at _____ ("Licensee").

WHEREAS, The Crown12 Condominium (the "Condominium") is governed by a certain Declaration of Condominium dated _____, 201__, recorded in the Kings County Office of the Register of the City of New York on _____, 201__ under CRFN _____ (as the same has been or may be amended from time to time, the "Declaration"), the by-laws of the Condominium (as the same has been or may be amended from time to time, the "By-laws") and the rules and regulations of the Condominium (as the same has been or may be amended from time to time, the "Rules and Regulations"; the "Declaration", the By-laws and the Rules and Regulations are hereinafter collectively referred to as the "Condominium Documents"); and

WHEREAS, in a portion of the cellar of the Condominium there are Common Elements designated for use as Storage Lockers (such portion of the cellar being the "Storage Space"); and

WHEREAS, in this Storage Space, storage lockers (collectively, "Storage Lockers") have been installed for use by permitted Residential Unit Owners; and

WHEREAS, Licensee owns or simultaneously herewith is acquiring Residential Unit ____ in the Condominium (the "Residential Unit"); and

WHEREAS, Licensee desires the right to the exclusive use of a Storage Locker for so long as Licensee owns a Residential Unit in the Condominium;

NOW THEREFORE, in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Licensor hereby grants to Licensee, and its permitted successors and assigns, a license for the exclusive use (the "License") of Storage Locker ____ (the "Designated Storage Locker") and Licensee hereby accepts such License from Licensor for a term commencing on the date hereof.
2. A Storage Locker may be used for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein.
3. Licensee shall not (a) store any property in the Storage Space outside of their designated Storage Locker; or (b) allow any other person to use the License.
4. This License may be assigned by Licensee at any time provided the assignee (i) is a Residential Unit Owner at the Condominium, (ii) assumes the obligations pursuant to the form prepared by the Condominium, (iii) notification of the assignment is delivered in writing to the Condominium Board in compliance with its requirements as the same may be modified from time to time, and (iv) no outstanding monies are owed to the Condominium by the Licensee and/or the assignee. This License shall

automatically terminate at such time as the Licensee no longer owns a Residential Unit in the Condominium unless this License has been assigned to and assumed by another Residential Unit Owner.

5. The Licensee represents that it has made a thorough inspection of the Storage Locker and agrees to take same in its "as is" condition as of the date of this License. Licensee shall, throughout the term of this License, take good care of and maintain the Designated Storage Locker. All replacements and repairs to the Designated Storage Locker shall be made by the Licensee at Licensee's sole cost and expense. All repairs and maintenance of the Storage Space shall be performed by the Condominium Board and the cost thereof shall be a Common Expense, unless the repair or maintenance is caused by the Licensee, in which case the Board shall charge the Licensee for the cost of the repair or maintenance.

6. Neither Licensors nor their respective agents or employees shall be liable for any theft or damage to any property stored in the Storage Space and/or the Designated Storage Locker.

7. The terms of this License are subject to the terms of the Condominium Documents.

8. If Licensee defaults in its obligations hereunder or under the Condominium Documents, the Condominium Board may, in addition to the rights and remedies set forth in the Condominium Documents, (i) deny access to and use of the Designated Storage Locker until Licensee cures such default or (ii) terminate this License upon written notice to the Licensee.

9. The Condominium Board and/or its agents shall have the right (but not the obligation) to open the Storage Locker in an emergency at any time, and, at other reasonable times upon prior notice to Residential Unit Owner, to inspect and examine the Storage Locker and to make such repairs, replacements and improvements as the Condominium Board shall deem necessary.

10. The Designated Storage Locker, until the termination of this License, is deemed to be, and treated as, for all intents and purposes, a Limited Common Element as it will, upon the purchase of a Storage Locker License, exist for the use and enjoyment of Licensee to the exclusion of all other Residential Unit Owners.

11. This License shall not be construed under any circumstances to be a sale of the Designated Storage Locker or conveyance of title thereto. In no event shall a landlord/tenant relationship exist between the Licensors and the Licensee with respect to this Agreement.

12. Licensee shall indemnify and hold the Licensors and their respective officers, agents and employees, harmless from and against any and all liabilities, claims, penalties and judgments, together with any related costs and expenses, including reasonable legal fees, asserted against or sustained by any of them in connection with any act, omission or negligence of the Licensee or the Licensee's family, servants, employees, agents, guests and/or invitees in connection with this License.

13. Licensee shall be obligated to reimburse the Licensors for any legal fees and disbursements reasonably incurred by the Licensors in defending the rights of the Licensors under this License or, in the event Licensee defaults under this License, enforcing the Licensee's obligations hereunder.

14. Neither this License nor any provision hereof may be waived, amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of such waiver, amendment, discharge or termination is sought and then only to the extent set forth in such instrument.

15. It is understood and agreed that all understandings and agreements heretofore had between the parties hereto are merged in this License, which alone fully and completely express their agreement and

that this License supersedes any and all such understandings and agreements with respect to the subject matter hereof.

16. If any provision of this License is invalid or unenforceable as against any party or under certain circumstances, the remainder of this License and the applicability of such provision to other parties or circumstances shall not be affected thereby. Each provision of this License, except as otherwise herein provided, shall be valid and enforced to the fullest extent permitted by Law.

17. Any failure by the Licensor to insist upon strict performance by Licensee of any of the provisions of this License shall not be deemed a waiver of any of the provisions hereof, irrespective of the number of violations or breaches which may occur, and the Licensor, notwithstanding any such failure, shall have the right thereafter to insist upon strict performance by the Licensee of any and all of the provisions of this License to be performed by the Licensee.

IN WITNESS WHEREOF, the undersigned have executed this License as of the day and year first above written.

Agreed to and Acknowledged by

LICENSOR:

LICENSEE(S):

**The Board Of Mangers Of
The Crown12 Condominium**

By: _____
Name: _____
Title: _____

Name:

Name:

**Affidavit of Bona Fide Tenant Purchaser
For Purposes of Declaring Offering Plan Effective**

Name of Purchaser: _____
Residential Unit No.: _____
Purchase Price: \$ _____
Down Payment: \$ _____
Address of Condominium Property: The Crown12 Condominium, 12-34 Crown Street, Brooklyn, New York 11225
File No.: _____

STATE OF NEW YORK)
) SS.:
 COUNTY OF _____)

I/We, a purchaser[s] under the offering plan for the above-referenced [condominium/cooperative] hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] bona fide purchaser[s] as defined by the New York General Business Law Section 352-eeee (the "Martin Act") because I/we am/are: [a] tenant[s] in occupancy at the above-referenced property;
2. I/we represent that I/we am/are not purchasing the unit as an accommodation to, or for the account or benefit of the sponsor or principals of sponsor;
3. I/we have duly executed a purchase agreement and have paid the down payment as required in the plan and any amendment thereto;
4. The purchase agreement I/we have executed for the above-referenced unit does not contain any right of rescission that has not yet expired or been waived;
5. The purchase agreement I/we have executed for the above-referenced unit does not permit the assignment or transfer of the rights afforded therein; *[If a tenant in occupancy has assigned the purchase agreement, include the following, and distinguish between an assignment that is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser, if applicable:*
 - a. The purchase agreement has been signed by purchaser as a bona fide tenant in occupancy in the above-referenced property; and
 - b. The assignment was not procured by the sponsor, selling agent, or the managing agent of the property, and I/we represent that [I/we or a specified member of his or her immediate family will personally occupy the dwelling unit; and
 - c. I/we have obtained an assignee affidavit.]
6. I/We signed the purchase agreement for the above-referenced unit in good faith, without fraud and with no discriminatory repurchase agreements or other discriminatory inducements;

7. I/We am/are not the sponsor, selling agent, or a principal of the sponsor, the selling agent or the managing agent nor am/are I/we related to the sponsor, the selling agent or the managing agent or any principal of the sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner, or member thereof.

8. I/We have been provided with a copy of the Department of Law memorandum entitled "Requirements for Effectiveness Amendments for Occupied Conversion Plans Under GBL Section 352-eeee" and understand that I/we am/are providing this affidavit for purposes of declaring the plan effective.

[Tenant Purchaser]

Print Name: _____

[Tenant Purchaser]

Print Name: _____

Sworn to before me this

_____ day of _____, 201__

NOTARY PUBLIC

**Affidavit of Bona Fide Non-Tenant Purchaser
For Purposes of Declaring Offering Plan Effective**

Name of Purchaser: _____
Residential Unit No.: _____
Purchase Price: \$ _____
Down Payment: \$ _____
Address of Condominium Property: The Crown12 Condominium, 12-34 Crown Street, Brooklyn, New York 11225
File No.: _____

STATE OF NEW YORK)
) SS.:
 COUNTY OF _____)

I/We, a purchaser[s] under the offering plan for the above-referenced [condominium/cooperative] hereby affirm, under the penalty of perjury, the following information:

1. I/We [am/are] [a] bona fide purchaser[s] as defined by the New York General Business Law Section 352-eeee (the "Martin Act") because I/we am/are: [a] purchaser[s] who intends that I/we or one or more members of my immediate family members intends to occupy the unit when it becomes vacant;
2. I/we represent that I/we am/are not purchasing the unit as an accommodation to, or for the account or benefit of the sponsor or principals of sponsor;
3. I/we have duly executed a purchase agreement and have paid the down payment as required in the plan and any amendment thereto;
4. The purchase agreement I/we have executed for the above-referenced unit does not contain any right of rescission that has not yet expired or been waived;
5. The purchase agreement I/we have executed for the above-referenced unit does not permit the assignment or transfer of the rights afforded therein, *[unless the assignment is for purposes of transferring the rights to an ownership entity such as an LLC or trust on behalf of the purchaser. In such cases, state so]*;
6. I/We signed the purchase agreement for the above-referenced unit in good faith, without fraud and with no discriminatory repurchase agreements or other discriminatory inducements;
7. I/We am/are not the sponsor, selling agent, or a principal of the sponsor, the selling agent or the managing agent nor am/are I/we related to the sponsor, the selling agent or the managing agent or any principal of the sponsor, the selling agent or the managing agent by blood, marriage or adoption, or as a business associate, an employee, a shareholder or a limited partner, or member thereof.
8. I/We have been provided with a copy of the Department of Law memorandum entitled "Requirements for Effectiveness Amendments for Occupied Conversion Plans Under GBL Section 352-eeee" and understand that I/we am/are providing this affidavit for purposes of declaring the plan effective.

[Non-Tenant Purchaser or Authorized Signatory]
Print Name: _____

[Non-Tenant Purchaser or Authorized Signatory]
Print Name: _____

Sworn to before me this

_____ day of _____, 201__

NOTARY PUBLIC

EXHIBIT 2

WAIVER OF NOTICE OF CLOSING

WAIVER OF NOTICE OF CLOSING

_____, being duly sworn depose and state:

1. I am / We are the Purchaser(s) of Unit # _____ at The Crown12 Condominium, 12-34 Crown Street, Brooklyn, New York 11225 ("Unit").
2. Pursuant to an Agreement dated _____, 20__ I am / we are entitled to 30 days written notice of the closing of the Unit.
3. I / We hereby waive the applicable notice provision contained in the Agreement and request to close on _____, 20__.

PURCHASER(S):

(print name)

(print name)

Sworn to before me this
____ day of _____, 20__.

Notary Public

EXHIBIT 3

CONDOMINIUM UNIT DEED

CONDOMINIUM UNIT DEED

THIS INDENTURE, made the ____ day of _____, 20__ between 12 Realty associates LLC, a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119 ("Grantor") and _____ ("Grantee"), having an address at _____.

WITNESSETH:

That Grantor, in consideration of Ten and 00/100 (\$10.00) Dollars and other good and valuable consideration paid by Grantee, does hereby grant and release unto the Grantee, the heirs or successors and assigns of Grantee, forever:

The Condominium Unit (the "Unit") in the premises known as The Crown 12 Condominium, 12-34 Crown Street, Brooklyn, New York 11225, Borough of Brooklyn and County of Kings, City, and State of New York, said Unit being designated and described as Unit No. _____ in the declaration (the "Declaration") establishing a plan for condominium ownership of said premises under Article 9-B of the Real Property Law of the State of New York (the "Condominium Act"), dated _____, 201__ and recorded in the New York County office of the Register of the City of New York (the "City Register's Office") on _____, in Reel _____ page _____, and also designated as Tax Lot(s) _____ in Block _____ of Section _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans of said building, certified by _____, on _____, and filed in the Real Property Assessment Department of the City of New York on _____ as Condominium Plan No. _____ also filed in the City Register's Office on _____ as Condominium Map No. _____. The premises within which the Unit is located are more particularly described in Schedule A attached hereto and made a part hereof. All capitalized terms herein which are not separately defined herein shall have the meanings given to those terms in the Declaration or in the by-laws of The Crown 601 Condominium (as the same may be amended from time to time, the "By-Laws")

Together with an undivided _____ percentage interest in the Common Elements (as such term is defined in the Declaration);

Together with the appurtenances and all the estate and rights of Grantor in and to the Unit;

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws, all of which shall constitute covenants running with the Land and shall bind any person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein.

Subject also to such other liens, agreements, covenants, easements, restrictions and other matters as pertain to the Unit and/or to the Property as more particularly described in Schedule B attached hereto and made a part hereof.

TO HAVE AND TO HOLD the same unto Grantee and the heirs or successors and assigns of Grantee forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision which is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the

Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Declaration shall control.

Except as otherwise specifically permitted by the Board or provided in the Declaration or the By-Laws, the Unit is intended for residential use only.

Grantor covenants that Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatsoever, except as aforesaid.

Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the same for any other purposes.

Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

The term "Grantee" shall be read as "Grantees" whenever the sense of this indenture so requires.

IN WITNESS WHEREOF, Grantor and Grantee have duly executed this indenture as of the day and year first above written.

12 REALTY ASSOCIATES LLC

By: _____
 Name:
 Title:

 Grantee

 Grantee

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

SCHEDULE A

DESCRIPTION OF THE LAND

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough Brooklyn and County, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Crown Street distant 96 feet 4 inches easterly from the corner formed by the intersection of the southerly side of Crown Street with the easterly side of Washington Avenue;

RUNNING THENCE easterly along the southerly side of Crown Street 238 feet 5 inches;

THENCE southerly parallel with Franklin Avenue 100 feet;

THENCE westerly parallel with Crown Street 181 feet 3-3/4 inches;

THENCE northerly parallel with Washington Avenue 6 feet 4-1/8 inches;

THENCE westerly parallel with Crown Street 14 feet 5-3/8 inches to the easterly side of Lot 47 on Map of 64 Lots in the Ninth ward of the City of Brooklyn belonging to the late Mary Johnson and others, Brooklyn, June 1, 1873, filed in the office of the Register of the County of Kings on 7/3/1873 as Map No. 918; and

THENCE northerly in a straight line nearly parallel with Washington Avenue 102 feet 4-1/2 inches to the southerly side of Crown Street to the point or place of BEGINNING.

SCHEDULE B

PERMITTED ENCUMBRANCES

REFER TO PERMITTED ENCUMBRANCES SET FORTH AS SCHEDULE A TO
THE PURCHASE AGREEMENT AND IN THE SPECIMEN TITLE POLICY

TO BE INSERTED PRIOR TO CLOSING

EXHIBIT 4

DESCRIPTION OF PROPERTY

DESCRIPTION OF PROPERTY & BUILDING CONDITION REPORT

FOR **THE CROWN12 CONDOMINIUM**
12-34 CROWN STREET
BROOKLYN, NY 11225



Issue Date:

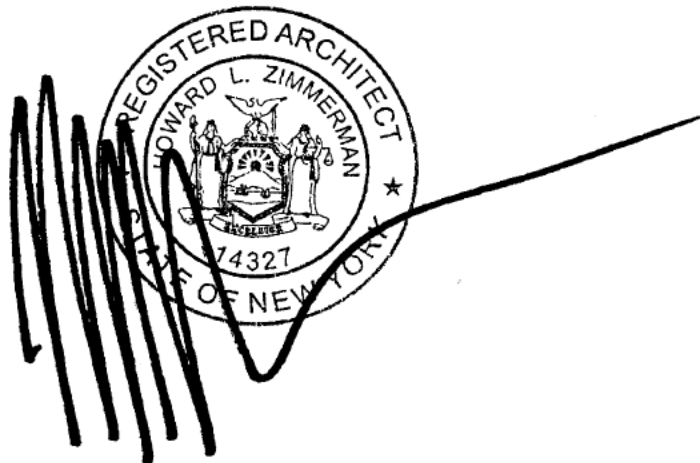
October 3, 2017

Reference:

R15-0210

Prepared For:

The Pinnacle Group
One Penn Plaza
New York, NY 10119



Prepared by:

HOWARD L.
ZIMMERMAN
ARCHITECTS PC



SECTION 23.7 DESCRIPTION OF PROPERTY & BUILDING CONDITION REPORT

I. PREFACE

This Report was prepared for the Sponsor for inclusion in an offering plan for said building in compliance with the requirements of the Department of Law of the State of New York. I hereby authorize reproduction of this Report for such purpose exclusively. Reproduction for any other purpose is not authorized.

The intent is to provide a description of the materials, finishes, equipment and structure which comprise this Building, as outlined in the guidelines of the office of the Attorney General of the State of New York.

The content of this Report are based on:

An inspection of the existing records and applications on file with the Department of Buildings of the City of New York which were made available for review;

A visual inspection of some, but not all areas of the Building, including cellar/lobby, public halls, roof bulkheads, exterior walls, yards, and courts, some but not all apartments, and related equipment contained therein;

Information on open violations on record provided by the governing New York City Agencies;

And

Information provided by the Sponsor and/or his representatives.

Inspection and visual observation were made on: **April 9, 2015, April 30, 2015 and June 4, 2015, October 16, 2015, September 23, 2016, and July 21, 2017** the conditions described then existed. Visual examination was made of a sufficiently large sampling of the spaces and equipment as deemed necessary in our professional opinions but not, unless stated herein, any tests or penetrations into walls, ceilings, floors, etc. or removal of any structural or mechanical elements.

Except as noted in this Report, no representation is made as to the condition or legality of the various elements of the Building. This Report is not to be construed as a guarantee or warranty. It is not intended or prepared for the purpose of fixing a value to the property or as an opinion as the advisability or inadvisability to purchase condominium units being offered pursuant to the Sponsor's offering plan.

Unauthorized reproduction or alteration of this Report or any part thereof, without the express written permission of the undersigned, is a violation of the New York State Law and is prohibited. Except as indicated herein, no part of this document may be reproduced or utilized in any form or by any means, electronic or mechanical, including photo-copying, recording or by any information retrieval system, without permission in writing.



II. CONDITION

A. LOCATION AND USE OF PROPERTY

Location / Address of Property:	12-34 Crown Street Brooklyn, NY 11225
Tax Block Number:	1190
Tax Lot Number:	14
Building Identification Numbers (BIN):	3029720
Zoning Map:	16D
Zoning District:	R8A; contextual Quality Housing
Permissible Use:	The R8A is a Quality Housing zoning district which permits the as-of-right uses under Use Groups 1, 2, 3 and 4. Zoning Use Groups 1 and 2 are comprised of all types of residences ranging from single-family, apartment houses, to affordable independent residences for seniors. Zoning Use Groups 3 and 4 are dedicated to Community Facilities. Use Group 3 covers colleges, schools, day care facilities, libraries, museums, and galleries as well as those accessory to the uses of this group. Use Group 4 consists of ambulatory health centers, clubs, community centers, houses of worship, monasteries, hospitals (not including animal hospitals, welfare centers and similar non-profit institutions. All uses in the Building are compliant with R8A zoning district..

B. STATUS OF CONSTRUCTION

Year Built:	1928
Class of Construction:	1922 NYC Building Code; Non-fireproof
Certificate of Occupancy - Type; Number:	Permanent; 3P0007352 Notes: One (84) Eighty-four Family Apartment Building and Day care center 6 Stories plus cellar.
New Building - (Y/N):	N
New Building Job Number:	N/A



Is this New Building Job Self-certified - (Y/N):	N/A
Alterations filed as the date of this report - (Y/N):	Yes; as follows:
Alteration Job Number /Type/ Date:	301384160 Type A2 R Permit 7/23/2002
Description of Work	Point and repair face brick around window sills and install sidewalk shed. Work on floor(s) 1 st to thru 6 th .
Alteration Job Number /Type/ Date	340239138 Type A3 R Permit 3/16/2015
Description of Work	Proposed installation of heavy duty sidewalk shed as per plans, live load. Work on floor(s): OSP
Alteration Job Number /Type/ Date	330297486 Type A2 Signed Off 9/6/2016
Description of Work	Parapet and lintel replacement and brick repairs. No change in use, egress or occupancy. Work on floor(s): Roof
Alteration Job Number /Type/ Date	330300800 Type A3 R permit 9/8/2015
Description of Work	Installation of pipe scaffold for remedial repairs to building as per plan. Work on floor(s): Roof
Further Development Anticipated:	This office has not been advised of any further development.

C. SITE

The property is located at 12-34 Crown Street between Washington Avenue Franklin Avenues in the Borough of Brooklyn in the City of New York. The Building's residential main entrance is located on Crown Street.

The property is bounded on the west by a 6-story residential building, on the north by Crown Street, on the south by a 1-story commercial and office building, and on the east by New York City Transit Authority Property; aka the "S"-shuttle line.

The Building has an irregular shaped plan, with multiple courts and rear yard. The street wall is set back from the street line resulting in a shallow front yard.

Size:	Lot Area approximately 21,583 SF Quadrilateral; 238'-5"E x 102'-41/2"N x 238'-5"W x 102'-4-1/2"S
Number of Buildings:	1
Use:	Residential



Streets:	Crown Street; fronting the site.
Streets Owned or Maintained by the Project:	The street abutting the property (Crown Street) is owned and maintained by the City of New York.
Paving Type:	Asphalt paving in generally acceptable condition
Curb Material:	Steel-faced (confirm if steel-faced) concrete
Curb Condition:	Fair
Catch Basins, Drainage – Location; Condition:	There are catch basins provided along Crown Street. The street bed is pitched toward catch basins.
Street Lighting – Material; Type:	Street light poles; owned and maintained by the City of New York.
Street Lighting – Location; Condition:	Street light poles are located along Crown Street directly in front of the building, to the north and south of the site as well as across the street; conditions are in acceptable condition.
Conformance with local fire district, town or municipal building codes.	It is believed that all items above were constructed in conformity with the New York City Department of Transportation Highway Rules in effect at the time of construction.

D. DRIVES, SIDEWALKS AND RAMPS

The sidewalk abutting the property (Crown Street) is owned by the City of New York and maintained by the Condominium.

Paving Type:	Cast-in-place concrete
Curb Material:	Same as Street; See section C. SITE
Curb Condition:	Same as Street; See section C. SITE
Catch Basins, Drainage – Location; Condition:	The sidewalk generally drains away from the Building towards Crown Street
Lighting – Material; Type:	Same as Street; See section C. SITE
Lighting – Location; Condition:	Same as Street; See section C. SITE
Conformance with local fire district, town or municipal building codes.	It is believed that all items above were constructed in conformity with the New York City Department of Transportation Highway Rules in effect at the time of construction.



E. UTILITIES

Electric:	Provided by Consolidated Edison Company of New York; a regulated public utility; individually metered (PL&P and Apartments)
Gas:	Provided by National Grid; a regulated public utility; individually metered.
Water:	Provided by New York City Department of Environmental Protection; collectively metered
Sewer / Septic Tank:	Provided by New York City Department of Environmental Protection
Storm Drainage:	Provided by New York City Department of Environmental Protection
Telephone / Cable / Internet:	Available from Verizon Telephone Company of New York and/or Cable Vision
Fire Hydrant location:	On the North side of Crown Street (Across the street from Building).
Mailbox / USPS location:	There is a United States Post Office nearby at 315 Empire Boulevard, Brooklyn, NY 11225
Public Telephone location:	None
Transit:	The Number 2 and 3 subway line is located nearby; the nearest station is the Eastern Parkway stop located approximately 4 blocks away from the subject site. The Botanic Garden stop on the S subway line is also located nearby at the intersection of Eastern Parkway and Franklin Avenue.
Other:	N/A

F. SUBSOIL CONDITIONS

Detailed architectural / engineering plans depicting the Building foundation walls were not reviewed. Exposed portions of the Building's foundation walls were observed to be a combination of brick, block, and stone. The cellar slab is believed to be a slab on grade and is primarily dry; without indications of active water infiltration.

Visual inspection of the cellar floor and the exterior facades showed no evidence of cracking or mortar joint decay that would be indicative of uneven foundation movement or abrupt settling.



Within NYC Hurricane Evacuation Zone – (Y/N): (http://maps.nyc.gov/hurricane/)	N
FEMA Map Panel (https://msc.fema.gov/portal/search):	3604970212F
Within a FEMA Special Flood Hazard Area (100-year or Base Flood Zone) - (Y/N):	N
Within other FEMA Flood Areas – (Y/N); Specify:	N
Depth of Water Table relative to below grade space:	Unknown

G. LANDSCAPING ENCLOSURES

Grass Cover – Type; Location:	The front yard area between street wall and street line, flanking the main entrance, is planted; ground cover is a mix of grass and mulch.
Plants – Type; Location:	There are small shrubs and small trees within planted beds at the front yard.
Trees – Type; Number; Location:	There are 3 tree pits along the public sidewalk in front of the property (Crown Street); 2 of which have mature trees; 1 of which is unplanted.
Fencing – Type; Location:	There are chain-link fences enclosing some of the rear yard.
Gates – Type; Location:	Metal security gates provided along street entryways to both exterior passages.
Garden walls – Type; Location:	There are various height cast-in-place concrete freestanding walls at the rear yard in fair to poor condition.
Display pools and fountains:	None

H. BUILDING SIZE

Total Height:	Approximately 65 feet
Crawl Spaces (floor to ceiling, height):	N/A
Number of Sub-cellars:	N/A



Number of Cellars:	1
Number of Basements:	N/A
Number of Floors Above Grade:	6
Equipment Rooms – Location; Use:	Boiler room, oil tank room, meter room, compactor room, elevator machine room.
Parapet Height Above Roof:	Varies; approximately 26" – 42" above the finished roof. Parapet walls 3 feet and above were considered code complaint in 1928 (under the 1915 NYC Building Code). Where parapets are below 36 inches, new supplemental railings will be required- see 'Special Risks'

I. STRUCTURAL SYSTEM

Detailed architectural/engineering plans for the Building were not reviewed. Based on visual observation alone, the Building's structure is believed to be of good condition masonry foundations with load-bearing masonry walls and pilasters and/or steel frame with encased steel beams and concrete slab floors at the ground level. Upper floor levels are believed to comprise wood frame floor joist construction. The presence of sound insulation in walls/floors is unknown. It is our belief that conditions comply with sound attenuation requirements applicable at the time of construction. There is no underpinning and the existence of waterproofing on the exterior foundation is unknown. No sub-grade drainage system exists.

J. EXTERIOR OF THE BUILDING

The Building's exterior walls are brick masonry and stucco walls. Due to the Building's vintage the exterior walls are presumed multi-wythe walls with true-headers in a 'solid-masonry' construction.

The primary front façade comprises primarily a blended red face brick in English bond with select headers. There are areas of traditional cement stucco parging articulating various parts of the facade. Steel lintels are found over punched window openings with brick rowlock or metal sills. The facade is flanked with two nearly identical bays whose parapets have decorative stone elements and which extend higher than the remaining parapets. There are 'juliet' type balconies at the third and four floor levels. Juliet balconies comprise steel platform/metal railing or masonry with metal railings and are non-accessible and solely decorative in function.

The face brick on the non-primary facades is a tan brick and/or a coated brick in common bond. Single punched windows with steel lintels or masonry arched openings; double and large punch windows have steel lintels. Windows sills on the non-primary facades are typically brick row lock or granite replacement sills.

Some deterioration of exterior facade was observed; necessary repairs or investigations are identified under Special Risks.

Periodic inspection by a qualified exterior wall inspector is recommended; as is routine exterior maintenance.



Local Law 10/11 (FISP):	The New York City Facade Inspection Safety Program, FISP (formerly known as Local Law 11/98) applies to buildings greater than six (6) stories. The Building is not required to file a FISP report.
Current Local Law 11 (FISP) Status:	N/A
New York City/State Energy Conservation Code Compliance:	This is an existing buildings that pre-dates the requirements of the New York City Energy Conservation Code (NYCECC); the walls are believed to be uninsulated and in compliance with the NYCECC provided that the energy use of the building is not increased and future alterations / renovations / repairs to walls in cases where the existing structure is without framing cavities that no new framing cavities are created.

K. WINDOWS

Window Manufacturer	Crystal Windows, 10-year manufacturer's warranty parts only, excluding labor commencing from installation in April 2015. A copy of the warranty is in Appendix 9.
Window – Type; Material:	All windows are existing to remain. No new windows are proposed. In Units: Double hung; aluminum replacement windows In Lobby / Main Hall: Combination of fixed, double hung, and casement wood and metal original windows. In Stairs: Double hung aluminum replacement and double hung wood original. Cellar: Older generation wood windows at residential common areas; aluminum replacement windows at daycare facility.
Sill – Type; Material:	Brick masonry/ stone
Window Guard – Type; Material:	Fixed grills, anodized aluminum where provided. The unit owner is responsible for providing and maintaining the child guards when an apartment is occupied by children, as per the NYC code. Only New York City Fire Department approved gates are allowed on fire escape windows. All other types should be removed. Air conditioning units may not be installed at these windows. The Sponsor advises that all city required safety protocols are being followed for window mounted gates.
Lintel – Type; Material:	Arched masonry and/or steel lintel



Storm Window – Type; Material:	N/A
Sash – Type; Material:	Aluminum frame w/ clear or obscure glazing (units) Wood frame w/ obscure, wired glass (lobby, main hall, stairs)
Hardware – Type; Material:	Mid-rail locks, top sash anti-drift latches, standard balances (units); aluminum, plastic or steel. Original locks, chains and weights (lobby, main hall, stairs)
Glazing Type (single, double):	Double glazing at aluminum replacement windows in apartments; single glazing clear or wired at older generation lobby and cellar windows.
Thermal Break	Thermal break provided at replacement windows.
Caulking - (Y/N):	Y
Lot Line Windows - (Y/N):	N
Indicate any potential future problems:	



L. LANDMARK STATUS

Landmark Status:
(<http://gis.nyc.gov/doitt/nycitymap/>)

The buildings are not an individual Landmark or within a Landmarked district.

M. PARAPETS AND COPINGS

Type of Material:

Brick masonry; outboard side is exposed masonry and/or coated masonry; inboard side is coated or metal clad. Parapets typically have terra-cotta camel-back or cast stone coping segments.

Condition of Wall:

Generally, parapets are considered to be in acceptable/fair condition except as identified under 'Special Risks' although periodic inspection by a qualified exterior wall inspector is recommended; as is routine exterior maintenance and repairs.

Condition of Flashing:

Wall flashing components not visible from observations of the wall surface, condition unknown.

N. CHIMNEYS, FLUES, AND CAPS

Number of Chimneys:

Two (2)

Material of Chimneys:

Brick Masonry / Terra Cotta liner

Purpose of Chimneys:
Boiler / Incinerator / Compactor / Fireplace / Other

One (1) chimney serves the Boiler and the other chimney serves as a vent to the compactor chute

Condition of Chimneys:

Fair

Location of Chimneys:

Adjacent to stair bulkhead at roof level

Fireplaces:

None

O. BALCONIES AND TERRACES

There are no usable balconies or terraces at the building.

P. EXTERIOR ENTRANCES

Exterior Doors / Frames – Type; Material:

The main building entryway is composed of one



	(1) hollow aluminum framed, glass door with a fixed transom panel above and side light glass panels flanking the door on either side.
Exterior Doors / Frames Lock – Type; Material:	Aluminum frame assembly, keyed lock on the exterior side of doorway.
Vestibule Doors / Frames – Type; Material:	None
Vestibule Doors / Frames Lock – Type; Material:	None
Exterior Stair – Type; Material:	Raised cast-in-place concrete pad at the front entry
Exterior Stair Location:	Main building entrance.
Railings – Type; Material:	None
Mailbox - Type; Location:	There are two (2) aluminum mailbox banks within the lobby which accommodate the building's mail service. The mailboxes are approved by the U.S. Postmaster General. Each mail box compartment is individually keyed on the left and hinged on the right. All mailboxes and the panels are considered to be in acceptable condition.
Lighting – Type; Location:	There are surface mounted flood lights dispersed among the building facades. There is typically one flood light at each yard. There flood lights mounted at approximate 20 to 30 foot intervals along the front and rear facades.
Drainage Provisions:	The main entry walk and related sidewalk areas are generally pitched to drain to the street curb.
Miscellaneous	The manufacturer for the exterior entry doors is unknown, no thermal break is provided or required, and doors have been examined to be in acceptable condition.

Q. SERVICE ENTRANCES

Doors / Frames – Type; Material:	There are three service doors providing access from common cellar areas to the off-street yard spaces. There is one door from the day care center accessing the rear yard.
Doors / Frames Lock – Type; Material:	Painted hollow metal frames and door panels with keyed locks on the exterior sides.
Gates – Type; Material:	There is a hinged steel frame wire mesh gate provided at entryways to exterior passages which connect front and rear yard.
Exterior Stair – Type; Material:	Short straight run stairs comprised of cast-in place concrete inset into various yard slab areas.



Exterior Stair Location:	Various concrete stairs are located within the rear, side and courtyard spaces to transition grade levels. Stairs are in poor condition.
Railings – Type; Material:	Painted steel pipe railings.
Miscellaneous	The manufacturer of service entry doors is unknown, no thermal break is provided or required, and doors have been examined to be in acceptable condition.

R. ROOF AND ROOF STRUCTURES

Roofing System:	Built-up bituminous roof with aluminum reflective coating. There is no warranty on the roof system.
Insulation Size, Type, R-Value:	Concealed within roof system (unknown).
Bond or guarantee:	According to the Building superintendent, some active leaks through the roof have been reported by top floor residents within the vicinity of the front parapet wall. Roofs of this type can be warranted, however no warranty record has been provided and the age of the existing roof is unknown.
Flashing and Counter Flashing Material:	Coatings and mastic conceal the roof base flashing. Penetration flashing is a combination of asphalt flashing and pitch-pockets.
New York City/State Energy Conservation Code Compliance:	The present roof system is considered in compliance with the New York City Energy Conservation Code as a pre-existing condition. Upon re-roofing at the eventual end of the current roof's useful lifespan, any new roof will be required to be in compliance with the current New York City Energy Conservation Code of. This will likely include additional insulation and resulting parapet modifications or railing installations to ensure current code compliance.
Make and Warranty	The roof is a modified bitumen roof with no warranty.
Miscellaneous	Roof manufacturer is unknown, approximately 15 or more years old, previously painted in 2016, examined to be in fair condition. No active leaks reported.



S. DRAINS

Location(s):	Main roof has (6) scuppers; see roof plan.
Material and Type:	Single level roof drain; likely cast-iron with debris screen.
Gutters and Leaders – Type; Material:	Each bulkhead roof has one scupper drain connected to one metal leader; bulkheads drain to main roof.
Adequacy of Drainage:	Yes, roof visually appears pitched to drains; no long term standing water was evident at the time of inspection.

T. SKYLIGHTS

Location(s) and Size(s):	One hip vented skylight is located above each stair bulkhead. Skylights are in acceptable condition.
Material and Type:	Steel frame; wire glass
Condition:	Acceptable

U. BULKHEADS

Stair Bulkhead Material:	Painted masonry block interior; coated brick masonry exterior.
Elevator Bulkhead Material:	Painted masonry block interior; coated brick masonry exterior.
Other:	N/A

V. METAL WORK AT ROOF LEVELS

Exterior Metal Stairs Material:	N/A
Railing Material:	N/A
Vertical Ladders (including Gooseneck) Material:	Steel fixed ladders extend from grade level to lowest fire escape platforms and from top fire escape platforms to the roof.
Hatches to Roof – Type; Material:	N/A



Other:

N/A

W. ROOFTOP FACILITIES

There are no rooftop facilities. Roof is utilized by maintenance staff only.

X. FIRE ESCAPES

There are a total of eight fire escapes at this Building. Two are located along the Crown Street, the remainder along the off-street facades. (Refer to Drawing A3-07 labeled "Roof plan" for locations of the fire escapes).

Fire escapes are of conventional painted steel construction; supports consist of steel brackets anchored into the masonry facades at each platform level.

Roof access; straight, fixed ladder; approximately between 12 and 14 feet from the 6th floor landing level to the roof. There are no unusual access situations or conditions with regard to the fire escapes. Fire escapes are in acceptable condition and are existing to remain. Per Sponsor, the last painting was completed about 3 to 4 years ago.

Floors Covered:	Fire escapes serve the 1 st through 6 th floors.
Drop Ladder – Type; Material:	Straight run drop ladders at each fire escape are of painted steel construction and provide access from lowest platform down to grade level.
Condition	Fire escapes are found to be in acceptable condition.

Y. YARDS AND COURTS

The Building has a front yard along Crown Street. At the south side of the building is a rear yard. There are four courtyard areas off of the rear yard: two center courtyards and two side courtyards. The front yard is directly accessible from the sidewalk along Crown Street. The rear yard and courtyard spaces are accessible to each other and to the street; exterior passageways at the east and west ends of the site provide access from off-street yards to the street.

Yard spaces aside from portions of the front yard are paved in concrete; concrete surfaces are in overall poor condition.

Paving – Type; Material:	Cast-in-place concrete or exposed earth.
Drainage – Type; Material:	Drains are provided within yard spaces. No evidence of ponding water was observed within yard or court spaces.
Railings – Type; Material:	Pipe railings; painted steel
Stairs – Type; Material:	Cast-in-place concrete



Fencing – Type; Material:	Chain link fencing; metal
Wall – Type; Material:	Fence knee walls; cast-in-place concrete

Z. INTERIOR STAIRS

Number of Stairs of each Type:	Two central open stairways serve the 1st through 6th floors and additionally extend upward to the main roof. Stairs are in compliance with applicable code at time of construction.
Enclosure (Construction and Interior Finishes):	Stairs are enclosed on three sides by masonry walls with plaster and/or painted finish.
Stair Construction:	Stone or terrazzo and steel pan construction.
Stringer Material:	Painted steel.
Tread Material:	Terrazzo or stone.
Riser Material:	Painted steel
Guard Rails Material:	Painted wood handrails/metal brackets.
Balustrade Material:	Painted steel pickets/grills.
Building Classification	Non-Fireproof Structure

AA. INTERIOR DOORS AND FRAMES

Apartment entry doors are typically steel frame assemblies utilizing steel panels. Apartment interior doors are comprised of non-rated wood assemblies. Mechanical space doorways at the cellar are typically steel frame, steel panel assemblies. Doors are believed to meet fire code requirements where required; upon inspection tags were typically not provided and the fire ratings could not be confirmed.

Unit Entrance and Interior Doors and Frames:	Unit entry doors are hollow metal doors and frames with keyed dead bolts, peep holes and self-closing spring hinges. Interior doors and frames within apartments are typically older generation non-rated wood doors and frames.
Corridor Doors and Frames:	N/A
Roof Doors and Frames:	Hollow metal doors and frames.
Cellar Doors and Frames:	Hollow metal doors and frames.



BB. ELEVATORS

There are two (2) OTIS passenger elevators serving the residential units (cellar level, 1st through 6th floor). The elevator machine room is located at the cellar level; wheel house is located at main roof level bulk head. The passenger elevators each have a capacity of 1,800 pounds. The passenger elevators are centrifugal, cellar gear traction type and operate at a speed of 100 feet per minute. The passenger elevators are provided with spring car buffers. Sponsor relays that during the elevator modernization work, there will be one working elevator maintained in operating condition at all time.

Elevator Conditions	The Sponsor reports that the elevator modernization work is anticipated to start on or about September 17, 2017 and be completed in approximately 4 months. .
Elevator Information	Operator: Otis Capacity: 1800 lbs. Interior Cab Doors: Sliding/Automatic Operation Hallways Doors: Swing/Manual Proposed Operator: Holister Whitney Proposed capacity: 1800 lbs. Proposed Controller: VVVF Duplex system. Interior Cab Doors: Automatic sliding Warranty: Sponsor reports 2 year parts and labor to be provided.

CC. ELEVATOR CABS

Passenger elevator cabs are provided with vinyl tile floors. Walls are wood laminate. Lighting at the ceiling of the cabs is comprised of recessed lighting fixtures. Alarm is cab phone/alarm bell. Cabs are in acceptable condition, expected to be upgraded in late-2017/2018. Proposed cabs will have vinyl tile floors, wood laminate wall finishes, stainless steel ceilings, LED lighting. New alarm bell and emergency telephone system will be installed.

DD. AUXILIARY FACILITIES

There are currently no auxiliary facilities and none are proposed.

Laundry Rooms – Location; Number:	None.
Clothes Washers – Number; Type: (heavy duty; coin operated; electric)	None
Clothes Dryers – Number; Type: (heavy duty; coin operated; electric; gas)	None
Room Ventilation – Method; Final Exhaust:	None
Dryer Ventilation – Method; Final Exhaust:	None



EE. REFUSE DISPOSAL

Incinerators – Number; Location:	None
Incinerators – Capacity; Manufacturer:	N/A
Compactors – Number; Location:	One (1) located at cellar level, compactor room exhaust fan appeared to be out of service at time of visit and will need to be replaced. Note: there is a second garbage chute that has been taken out of service and has been reported to have remained out of service for approximately 8 years.
Compactors – Capacity; Manufacturer:	Unknown
Approvals by Authority having Jurisdiction (date):	N/A
Initial Storage Location:	Recyclables are initially stored in garbage chute room at each floor. Compacted garbage is stored in East side storage room at cellar level.
Ultimate Storage Location:	Outside of building on Crown Street.
Pick-up Schedule:	Monday, Wednesday and Friday mornings (recyclables on Friday)
Public or Private pick-up Provider:	Trash pick-up is provided by New York City Department of Sanitation.

FF. PLUMBING AND DRAINAGE

There is a 2" domestic water main entering through the cellar level. There is a 2" Watts reduced pressure zone (RPZ) assembly connected to the supply piping. Domestic hot & cold water piping is a mix of copper and galvanized steel. The domestic hot water is produced by an integral tank-less coil within the steam boiler.

The sanitary sewer and storm drainage each have an estimated 4" or 6" main. The house trap and sewer main are located below the cellar level floor slab.

Building plumbing systems are overall in working condition and are found to be acceptable. No repair or replacement work is required. Heating and Hot Water Piping are within concealed construction and the presence of piping insulation cannot be verified. Any uninsulated piping presently in the building installed prior to 1968 may remain uninsulated and is compliant with the codes in affect prior to 1968.

GG. FIRE PROTECTION SYSTEM

Standpipes – Material; Size; Location:	N/A
Hose Racks and Nozzle Locations:	N/A
Sprinkler Heads – Type; Location:	Sprinkler heads in compactor room and within garbage chute.



Siamese Connection – Type; Location:	N/A
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HH. WATER STORAGE TANK AND ENCLOSURE

Water Storage Tank – Number; Type; Location:	N/A
Water Storage Tank Materials (Int / Ext / Roof):	N/A
Access to Tank:	N/A
Tank Capacity:	N/A
Capacity Fire Reserve:	N/A

II. WATER PRESURE (AND HOW MAINTAINED)

Booster Pump - (Y/N):	N
City / Water Main Pressure - (Y/N):	Y
Other:	N/A

JJ. SANITARY SEWAGE SYSTEM

Sanitary Piping Materials:	The stacks and main piping for the sanitary system are a combination of cast iron hub and spigot piping as well as no hub cast iron piping. The sewer main is estimated at 4" or 6". Leaks have not been reported or observed. The branch waste and vent piping at fixtures are in fair condition.
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Sewage Pump (if any):	N/A
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Sewage Disposal: (public, private, treatment, drain-field, sewer)	The house sewer connects to the street sewer. The sanitary drainage and vent system is conventional gravity drainage system which flows from the vertical stacks to house sewer at cellar level which is piped to the City sewer. Storm drain catch basins appear to drain independently to City stormwater or combined sewer main.
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Permit(s) Required (Y/N):	N/A
Date(s) Obtained:	



KK. STORM DRAINAGE SYSTEM

Catch Basin Locations:	There are catch basins located within the cellar level of the building.
Yard and Roof Drain Locations:	All drainage is internal except rooftop and courtyard area
Piping Materials:	Combination of cast iron hub and spigot piping as well as no hub cast iron piping.
Eject or Sump Pumps: (Describe in detail and describe condition requiring pumps)	The sump pit located within Boiler Room has a non-functional sum pump that will need to be replaced.

LL. HEATING

The heating system is comprised of one (1) Federal scotch marine low pressure steam boiler. The boiler feeds a one pipe steam system terminating at cast iron radiators within apartments and common spaces. The main lobby is currently heated by two (2) radiators. The boiler was built in 1985 and is past its expected useful life and will need to be replaced. The boiler system is controlled by a Build Green Solutions Virtual Building 2100 module, and Heat Timer module. There appears to be no chemical treatment components associated with the boiler. The boiler is equipped with a dual fuel natural gas & #2 oil burner. The burner's primary fuel source is natural gas. The #2 oil tank is located at the cellar level above ground and has a capacity of approximately 5,000 gallons. The boiler room is equipped with a combustion air supply fan which appeared to be electronically interlocked to the burner's operation.

Some of the steam piping within the Boiler Room is missing insulation, and as such, insulation will need to be installed on all sections of exposed steam piping. The metal breaching that connects from the boiler to a vertical masonry chimney should be cleaned and inspected during the time of the future heating plant upgrade. An approved chimney liner is to be installed at the time of the boiler replacement. At the time of the future heating plant upgrade, the abandoned boiler (located in boiler room adjacent to current boiler in service) and abandoned oil storage tank (located near electrical service endbox) should also be removed.

Number of Boilers and Description:	One (1) Scotch Marine low pressure steam boiler.
Boiler – Manufacturer; Model:	Federal FST-200
Boiler Capacity:	Approximately 6900 lbs/hr steam output.
Age of Boiler:	Built in 1985
Approx. Remaining Useful Lifespan of Boiler:	5 Years
Burner – Manufacturer; Model:	Industrial Combustion DEG-84(P)
Burner Type:	Dual fuel- Natural gas (primary), #2 oil (back-up)
Age of Burner:	Circa 1985 (similar to boiler).



Approx. Remaining Useful Lifespan of Burner:	5 Years
Type of Controls:	Basic set back controller. Build green solutions – Virtual Building 2100.
Radiators:	Single pipe cast iron steam radiators.
Piping:	Steam piping is threaded black steel.
Insulation:	Some of the steam piping within the Boiler Room was observed to be missing. Insulation will need to be installed to exposed sections of steam piping.
Valves:	OS&Y type; satisfactory condition
Pumps:	N/A
Fuel Type and Grade:	Natural gas (primary) and #2 oil.
Location of Oil Tank:	Cellar level above ground.
Material of Oil Tank and Enclosure:	Welded steel.
Capacity of Oil Tank:	Approximately 5,000 gallons, name plate was missing from oil tank.
Condition of Oil Tank:	Visually satisfactory; tightness test to be performed as part of the future heat plant upgrade.

MM. GAS SUPPLY

The natural gas is supplied from National Grid via a 4" welded black steel gas main for the boiler and two (2) sets of 3" threaded black steel piping serving apartment meters. There is a dedicated high speed gas meter for the boiler and individual gas meters for each apartment. The gas piping is welded black steel for the boiler and threaded black steel for apartments. There is no room or enclosure housing the gas service and gas meters located at the cellar level; there is no form of natural gas ventilation. At minimum, natural ventilation to be provided at gas service point of entry.

NN. AIR CONDITIONING

There is no central cooling system.

Type of AC System:	Individual window A/C units.
Central System – Manufacturer; Model:	None



Central System Capacity:	N/A
Cooling Towers:	N/A
Condensers:	N/A
Individual Units Covered by the Offer - Window or Sleeve; Amperage; Efficiency:	None. Window A/C units are the tenant/unit owner's responsibility.

OO. VENTILATION

Vent System in Kitchen:	Natural ventilation is provided via kitchen's operable windows.
Vent System in Fireplaces:	There are no fireplaces present within the building.
Vent System in Windowless Areas; Corridors:	Natural ventilation is provided via operable windows.
Vent System in Windowless Areas; Garages:	There is no garage.
Vent System in Windowless Areas; Laundries:	There is no public laundry facility within the building.
Vent System in Windowless Areas; Baths:	Natural ventilation is provided via operable windows.
Vent System in Windowless Areas; Boiler Room:	Ventilation is provided via a louvered opening in the brick exterior wall and motorized fan.
Vent System in Windowless Areas; Mechanical Room:	Compactor room is intended to be ventilated via a wall mounted exhaust fan. Exhaust fan appeared to be out of service at time of visit and will need to be fixed or replaced. Exhaust termination location could not be determined.
Vent System in Windowless Areas; Electrical room:	No ventilation is provided. Electrical meters are within cellar level in open areas.

PP. ELECTRICAL SYSTEM

Service from Main Service Switchgear:	Main building electrical service is furnished by Con Edison. Electrical service enters at the cellar level and terminates at the end box. Service distributed to four (4) service switches, which feed individual residential dwelling riser & meter banks and building PL&P breaker panelboard. No updates to building electric service are either proposed or required.
Amps; Voltage; Phases; Wire:	The main service is a 208 V 3Ø 4-wire, AC service and is split into four service switches; one service switch serves the PL&P and is rated at 200 Amps; the remaining three service switches feed the apartment electric meter banks, two of which are rated at 400 Amps and



	the third is rated at 600 Amps.
Protective Equipment:	The main switch is broken up into four fused service switches. Secondary protection provided at individual apartment risers.
Service to Individual Units (risers, etc.):	Each apartment is fed by single phase, 208 Volt 60 Ampere (3-wire) feeder from the cellar encased in conduit. Each feeder is connected to the appropriate dedicated Con-Ed meter for each apartment.
Compartment Switch Gear (location and floor of sectional meter boards and transformers supplying power to the meter boards):	Four individual service switches only. Residential service grouped at meter banks.
Unit Service (ratings of fuses and circuit breakers):	Apartments are protected by individual riser protection breakers. Apartment feeder circuit breakers are sized at 60 Amps (208 Volts).
Unit Service (adequacy of electrical system to handle modern usage and appliances such as AC, dishwashers, and dryers):	The existing electrical service capacity is marginally adequate. No updates to apartment service are either proposed or required.
Lighting and Fixtures:	Combination of incandescent, fluorescent, and CFL.
Convenience Outlets:	Convenience outlets are provided throughout the apartments. Bathroom and Kitchen outlets are not GFCI protected. The installation met the code requirements at the time of construction. Any future apartment electrical upgrades will require the addition of GFCI outlets in Kitchens and Bathrooms.
Appliance Outlets:	There are no dedicated appliance outlets for AC units or refrigerators.
Backup Power/Provisions	There is no generator or backup power supply.

QQ. INTERCOMMUNICATION AND/OR DOOR SIGNAL SYSTEMS, SECURITY CLOSED CIRCUIT TV

Mode of Operation and Condition:	The intercom is a two way communication system. The apartment communication unit has three buttons. One button is to speak, one is to listen, and one is to open the door.
Television Reception Facilities: (Master Antennae, Cable, Tenant Antennae)	Cable Television, Tenant Antennae
Security Cameras:	There are security cameras at exterior perimeter of the building and in the passenger elevators.
Intercom Type	Model IR-204, Installed in 2016 with a 6-month warranty at the time of installation.



RR. PUBLIC AREA LIGHTING

The lobby is provided with ceiling surface mounted, pendant and wall sconce lighting. Common hallways on each floor typically are provided with surface mounted incandescent fixtures. Cellar common spaces are typically provided with ceiling mounted incandescent or strip fluorescent lights. All lighting appears to be adequate. Emergency lighting is provided throughout the lobby, hallways and stairs; and typically consists of surface mounted battery pack fixtures. Lighting has been examined to be sufficient in all public areas.

SS. GARAGE AND PARKING AREAS

None

TT. SWIMMING POOLS

None

UU. TENNIS COURTS, PLAYGROUNDS AND RECREATION FACILITIES

None

VV. PLAYGROUND

None

WW. OTHER RECREATIONAL FACILITIES

None

XX. PERMITS AND CERTIFICATES

Permits	Date Issued	Issuing Authority	Duration of approval
Boiler Registration - Certificate to Operate #CA065685	3/30/2015	New York City Department of Environmental Protection	Expires: 3/30/2018



YY. VIOLATIONS

Violation	Date Issued	Issuing Authority
4 outstanding violations:		
(Violation No.9027/519035)		
(Violation No.9027/519036)		Department of Buildings
(Violation No.9027/551166)		
(Violation No.9027/551168)		
Condition: Elevator		
Cure: N/A		N/A
No outstanding violations	02/01/2013	Environmental Control Board
Condition:		http://www.nyc.gov/html/dob/html/home/home.shtml
Cure:		
No outstanding violations		Bureau of Electrical Control
Condition:		
Cure:		
No outstanding violations		New York City Fire Dept.
Condition:		In person request
Cure:		
No outstanding violations		Dept. of Transportation
Condition:		In person request
Cure:		



22 Open Violations
Condition: See Below
Cure: See Below

Dept. of Housing Preservation & Development
<http://www.nyc.gov/html/hpd/html/home/home.shtml>

The following violations are outstanding with the Department of Housing Preservation & Development:

ZZ.UNIT INFORMATION

Number of Units:	84 Apartments (Noted that there are 84 Apartments on Certificate of Occupancy), 1 Community Facility space.
Units Inspected:	Apartment Units: A1, A2, B6, E1, E4, E6, F10, F11, C7, C8, C15, D2, D3, D5, F14, A6, A12, B16, D11, D14, E9, F12, A15, Community Facility space.
Number of vacant units (as of July20, 2017):	16 Apartments
Number of Studio, (1) bath apartments:	7
List:	A5, A6, C11, F11, B12, A14, D14,
Number of (1) bedroom (1) bath apartments:	49
List:	A2, A3, B1, C1, D1, E1, , F1, B2, C2, D2, E2 F2, B4, C4, D4, E4, F4, C6, D6, E6, F6, A7, C7, D7, E7, F7, B8, A8, C8, D8, E8, F8, B9, A10, D10, E10, A11, D11, E11, C14, E14, F14, B15A15, C15, D15, E15, F15, B16.
Number of (1) bedroom (2) bath apartments:	1
List:	B67 (Note: Apartments B6 and B7 were originally combined as a single apartment)
Number of (2) bedrooms (1) bath apartments:	21
List:	A1, A4, B3, C3, D3, E3, F3, B5, C5, D5, E5, F5, A9, C9, D9, E9, F9, C10, F10, B10, B11
Number of (3) bedrooms (2) bath apartments:	6
List:	A12, D12, C12, E12, F12, B14



List w/ useable residential space in square feet:	See Section CCC
Storage spaces (give fire separation rating, and what materials may be legally stored):	Cellar Storage Rooms. Ordinary household goods.

Room	Floor	Walls	Ceiling
Foyer	Wood/Vinyl	Plaster or Painted Sheetrock (Varies/apartment)	Painted Plaster
Kitchen	Tile/Vinyl	Plaster or Painted Sheetrock (Varies/apartment)	Painted Plaster
Bathroom	Tile	Plaster or Painted Sheetrock, Tile (Varies/apartment)	Painted Plaster
Living / Dining Room	Wood	Plaster or Painted Sheetrock (Varies/apartment)	Painted Plaster
Bedroom	Wood	Plaster or Painted Sheetrock (Varies/apartment)	Painted Plaster

Finish schedule represents existing conditions. No apartment renovations or improvements are proposed. All doors are existing to remain. Room size, room or space designations, light and air are in compliance with applicable code. Any illegal partitions or walls if found to exist in vacant units will be removed prior to closing.

* Vinyl tiles observed were 12"x12" which are typically VCT not VAT. However, based on the age of the Building VAT tiles may exist within the Building and Asbestos is listed as a Special Risk later in this report.

**Determination of equipment and finish condition is based on accessing at least one apartment per line; see also Section EEE. 'Special Risks' for Layout/Condition of Uninspected Apartments.

The bathroom fixtures in the inspected apartments included porcelain enamel tubs with a shower head, porcelain pedestal sinks and/or porcelain sinks in wood cabinetry vanities. Fixtures are typically white or beige in color. The conditions of the fixtures vary based on the age and use by the tenant.

Typically, the kitchen fixtures and appliances in the inspected apartments included a surface mounted steel sink, refrigerator, and oven with a stove top. The finish and manufacturers of the appliances varies in every apartment. The countertops are typically formica or similar laminated wood. The cabinetry is typically painted or stained wood / MDF or similar. The condition of the Kitchen appliances varies based on the age and use by the tenant. There is no laundry equipment in the units.



AAA. FINISH SCHEDULE OF SPACES OTHER THAN UNITS

Floor Level	Room	Floor	Walls	Ceiling	Condition
Cellar	Mechanical and Storage Spaces	Painted Concrete	Masonry, Painted Plaster or Gypsum Board.	Plaster, Cementitious Sheathing or Gypsum Board	Poor
Cellar	Toilet	Tile/Concrete	Tile, Painted Plaster	Gypsum Board	Acceptable
Cellar	Daycare	Tile/Carpet	Tile, Painted Plaster	Gypsum Board	Acceptable
1 st Floor	Lobby and Hallways	Terrazzo	Wood Paneling and Painted Plaster	Painted Plaster	Acceptable
2 nd Floor – 5th Floor	Stair and Hallways	Terrazzo	Painted Plaster	Painted Plaster	Acceptable
2 nd Floor – 5th Floor	Refuse Closets	Vinyl Tile	Painted Plaster	Painted Plaster	Acceptable
Roof Bulkhead	Stair	Concrete	Masonry	Concrete	Acceptable

BBB. SAFETY AND WARNING DEVICES

New smoke/ carbon monoxide (CO) detectors are required by new regulations in every apartment unit. Battery smoke/CO detectors were generally observed in apartments inspected. All sensors should be inspected to ensure proper working order. A central Fire Alarm station has not been installed, none is required.



CCC. ADDITIONAL INFORMATION REQUIRED

Site Plan:	See Appendix 2
Floor Plans:	See Appendix 3
Master Floor Plans:	See Appendix 4
Floor to Ceiling Height of Units; on Lobby area:	Approximately 11' - 6"
Floor to Ceiling Height of Units; on 2 nd to 6 th floor (s):	Approximately 9' - 2"

Unit	Approximate Total Area (SF)	Unit	Approximate Total Area (SF)
A1	1042	Unit A9, C9, D9, E9, F9, B10	1140
Unit B1, C1, D1, E1, F1	749	Unit A10, D10, E10	929
A2	762	Unit C10, F10, B11	1136
Unit B2, C2, D2, E2, F2	802	Unit A11, D11, E11	583
Unit B3, C3, D3, E3, F3	1002	Unit C11, F11, B12	376
Unit A3, B4, C4, D4, E4, F4	756	Unit A12, D12	1692
Unit A4, B5, C5, D5, E5, F5	1063	Unit C12, E12, F12, B14	1482
Unit A5	415	Unit A14, D14	439
Unit A6	370	Unit C14, E14, F14, B15	638
Unit C6, D6, E6, F6	785	Unit A15	788
Unit A7, C7, D7, E7, F7, B8	781	Unit C15, D15, E15, F15	976
Unit A8, C8, D8, E8, F8, B9	875	Unit B16	976
Unit B67	785		

Approximate Total Area of Each Unit: The total area of each residential unit was calculated from the midpoint of the exterior walls to the center line of all interior walls and/or demising walls.



DDD. FURTHER DEVELOPMENT

This office has not been advised that any further development is anticipated or planned.

During any work performed, Sponsor relays that the building shall remain occupied and a tenant protection plan shall be provided at the time of filing for such work. During any renovation or construction work in the building all work will be in accordance with the Tenant Protection plan per Appendix 6 of this report. Specifically work will conform with the following

Construction debris will be removed daily from the subject site

The schedule for renovation and construction work will be within the following hours: Monday – Friday 8:00 AM to 5:00 PM.

Security Measures

There will be no interruption of services

There will be no new piping added to existing piping, no breaks or interruptions of service will result.

Sponsor and contractors will have liability insurance in effect during the construction

Sponsor relays, no new piping will be added to existing piping. Sponsor relays that Sponsor and any contractors working in the building will have liability insurance.



EEE. SPECIAL RISKS

1) Lead Based Paint

In our visual inspections we found no evidence of lead based paint. The Sponsor has advised that they have not used lead based paint however; there may be existing paint layers underneath newer layers of paint that contain lead. Testing of paint samples should be conducted to confirm if any lead based paint are still present within the Building.

As with any multiple dwelling building erected prior to 1960, the potential for the presence of lead-based paint exists, and thus lead is listed as a Special Risk later in this report. Owners and Residents have regular responsibility under the NYC Building code to notify report, investigate, and remediate.

2) Asbestos

In our visual inspections we found no evidence of asbestos containing materials (ACM) such as insulation, VAT, fireproof materials, etc. However, further testing of specific materials is recommended to confirm or deny the presence of ACM.

3) Uninspected Units

Access was provided originally at various dates from April through September 2016. Access was typically provided to at least one apartment per line/type to verify existing drawings. The Sponsor advised that they layouts represented are typical of the units' original layout. Each Unit may have some minor variation based on modifications completed by past or current residents. The Sponsor advises that they anticipate returning the layouts to the original configuration to the extent required by law and therefore are represented as such.

4) Subdivided Apartment- Second Floor

A one bedroom apartment has been subdivided into two studio apartments at the 3rd floor (apartments B6 and B7). This sub-division is not reflected on the building Certificate of Occupancy. The apartment will be restored to its prior legal condition as a 1 BR apartment. Anticipated work will entail removal/construction of partitions and removal of one kitchen space. Apartments B6 and B7 will be combined at such time as both units become vacant and be identified as Unit B67.

Estimated Cost.....\$ 50,000

5) Facades- General

Periodic inspection by a qualified exterior wall inspector is recommended for the



Building's Exterior as is routine exterior maintenance including addressing areas of cracked or spalled masonry and mortar and maintenance of ferrous metals.

All ferrous metal exposed to the elements shall require regular maintenance, including scraping, priming, and painting roughly every 5-years or as the condition dictates. Such as lintels/guards/railings/fences, etc. At various areas of all facades conditions of cracked brick, diagonal cracking of parapets, spalling brick, cracked, loose and dislodging stucco and deterioration of terra cotta copings were observed at various locations throughout. A masonry repair program should be pursued to address all such deferred maintenance work. An assessment of present conditions should be performed by qualified exterior engineering consultant to compile an accurate scope of repairs. Work would encompass brick replacement, pointing and stucco repairs. A preliminary estimate is considered; and pending the results of an engineering assessment. Estimate includes anticipated mobilization provisions.

Estimated Cost.....\$ 262,000

6) Installation of Safety Railings at Roof

Some sections of parapet walls enclosing the main roof level were observed to be less than the 36 inch minimum height necessary to comply with the 1922 NYC Building Code. The heights of the off-street parapets at the subject roof vary from approximately 28 to 48 inches in height. While a height of 36 inches is permissible for grandfathered conditions in a building constructed prior to 1922, newly installed railings must now comply minimally with a 42 inch height edge protection requirement identified in the 1938 and 1968 NYC Building Codes. To remedy conditions installation of new side mounted railings 42 inches in height is advised at all parapet wall segments which are less than 36 inches in height.

Safety Railings

Estimated 250 linear feet @ \$150/ ft.....\$37,500

7) Deteriorated Cellar Ceilings

Cracking of the concrete ceiling slabs as well as rust/corrosion of steel reinforcing within the slabs was observed in the cellar. These conditions were observed at the boiler room, meter room, garbage room and storage room. A structural investigation by NYS Licensed Professional Engineer has been performed. The recommended scope and cost for repairs is included in this report under Appendix 8.

Cellar Ceiling Repairs.....\$100,000

8) Coal Chute Vault

The coal chute/sidewalk vault structure accommodating sidewalk access to the boiler room is in highly deteriorated condition. Restoration of the chute vault walls, supporting steel structure and replacement of the exterior metal sidewalk hatch door is required.

Restoration of Coal Chute Vault.....\$50,000



9) Cellar Windows

A number of cellar windows at the residential common areas are deteriorated. Windows are either exposed or have been clad over with metal sheeting. A removal of metal sheeting and replacement of select windows is anticipated.

Window Replacement
10 Windows @ \$500 each.....\$5,000

10) Concrete Site Work

Areas of cast in place formed concrete site work including slabs at yards, retaining walls, garden and landscaping walls as well as stairways exhibit signs of deterioration. Restoration of concrete and masonry components is required in areas.

Estimated Cost.....\$30,000

11) Firestopping Repairs.

Firestopping sealant is lacking at a number of the wiring and piping penetrations at walls and ceilings enclosing cellar mechanical spaces. All such penetrations must be sealed with appropriate non-combustible materials consistent with the wall material. All wiring, piping and other penetrations of fire-rated walls must be appropriately sealed with intumescent fire sealant and/or mineral wool backing.

Estimated Cost.....\$2,000

12) Domestic Hot Water Piping and Steam Piping Insulation

The domestic hot water piping and steam piping within the Boiler Room is missing insulation. New insulation must be installed on all sections of the exposed domestic hot water piping and steam piping in order to be compliant with the New York City Energy Code.

Estimated Cost.....\$5,000

13) Heating Plant Upgrade

The existing Federal boiler was built in 1985 and existing Control Combustion dual fuel burner (Circa 1985) are approaching the end of their useful lives according to industry standards. Consideration should be given for removal of the existing boiler and burner within next 5 years and replacement with a new boiler and dual fuel burner of equivalent capacities.

As part of the heating plant upgrade, the existing metal breaching that connects from



the boiler to a vertical masonry chimney should be cleaned and inspected.

A new chimney liner is anticipated to be installed within the existing chimney to be compliant with New York City Fuel and Gas Code.

The abandoned boiler and abandoned oil storage tank are anticipated for removal.

A tightness test of the existing oil tank located at the Cellar Level should be performed to ensure safe condition of tank.

Sump pit within Boiler Room currently has a non-functioning sump pump. New sump pump is anticipated to be installed.

Estimated Cost.....\$350,000

(14) Roof Warranty

There is no bond, or guarantee on the roof system. The installer of the roof and age of the roof is unknown.

- (15) Heating and Hot Water Piping is within concealed construction and the presence of piping insulation cannot be verified. Any uninsulated piping presently in the building installed prior to 1968 may remain uninsulated and compliant with the codes in affect prior to 1968.

If any new heating or hot water piping is proposed in future it should be installed with insulation in compliance with the applicable NYC Energy Code.

- (16) Removal of interior walls is required in units C11, F11 and B12 to increase the size of living room spaces to conform to minimum room sizes required per the New York State Multiple Dwelling Law.\$10,000

Total Anticipated Repair Cost.....\$ 901,500

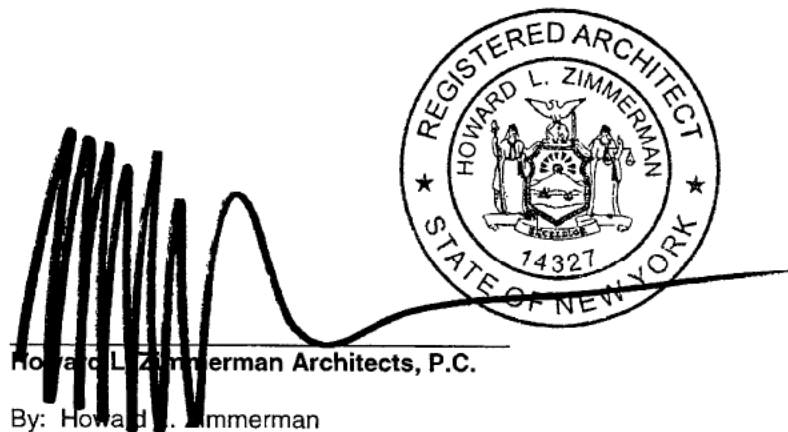


III. NOTE:

The term "fair" used in the Report refers to the moderately good, satisfactory, and above average conditions with minor deteriorations that are mostly aesthetic and do not require repair.

The term "acceptable" used in the Report refers to the conditions that meet the minimum requirement of the performance and are judged to be in conformity with approved usage. The item may contain moderate deteriorations that require proper and continuous maintenance or minimal repair.

The term "poor" used in the Report refers to the under-satisfactory and inadequate conditions with deteriorations that require repair or replacement.



Howard L. Zimmerman Architects, P.C.
By: Howard L. Zimmerman

The image shows a handwritten signature in black ink, which appears to be 'Howard L. Zimmerman'. To the right of the signature is a circular professional seal. The seal contains the text 'REGISTERED ARCHITECT' at the top, 'HOWARD L. ZIMMERMAN' in the center, and 'STATE OF NEW YORK' at the bottom. The number '14327' is also visible within the seal.

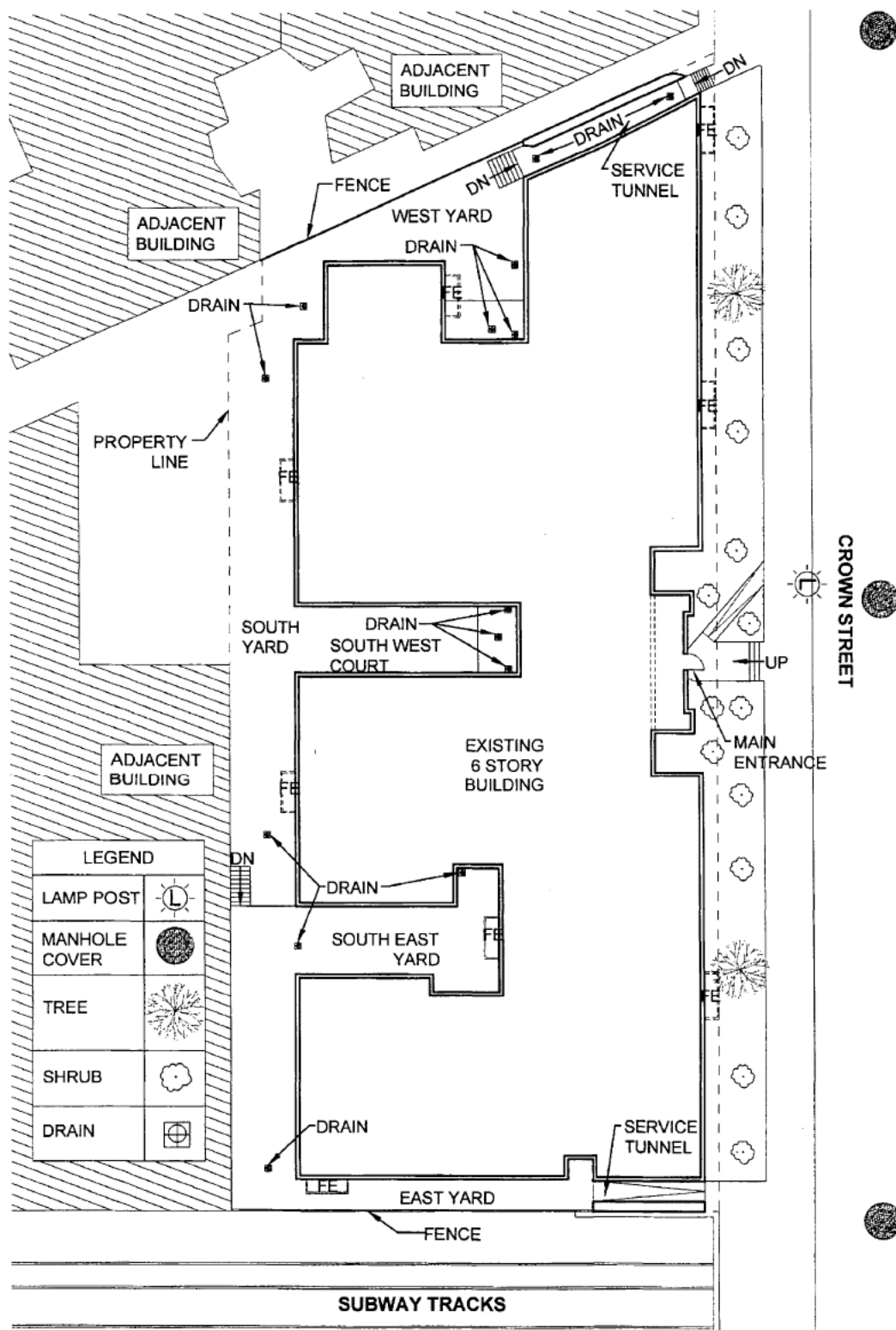
IV. APPENDICES:

- 1 – Site Plan
- 2 – Floor Plans
- 3 – Master Floor Plans
- 4 – Certificate of Occupancy
- 5 – Tenant Protection Plan
- 6 – Building Elevations
- 7 – HPD Violations
- 8 – Engineering Consultant Report



APPENDIX 1 SITE PLAN

Description of Property & Building Condition Report | 12-34 CROWN STREET



1

SITE PLAN

$$1/32'' = 1'-0''$$

HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016

JOB No. 15-0210

DRAWN BY:
NCD/HP

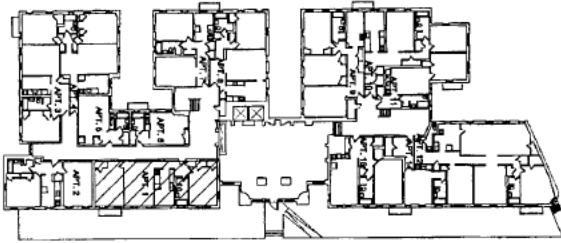
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A1-01



APPENDIX 2 FLOOR PLANS

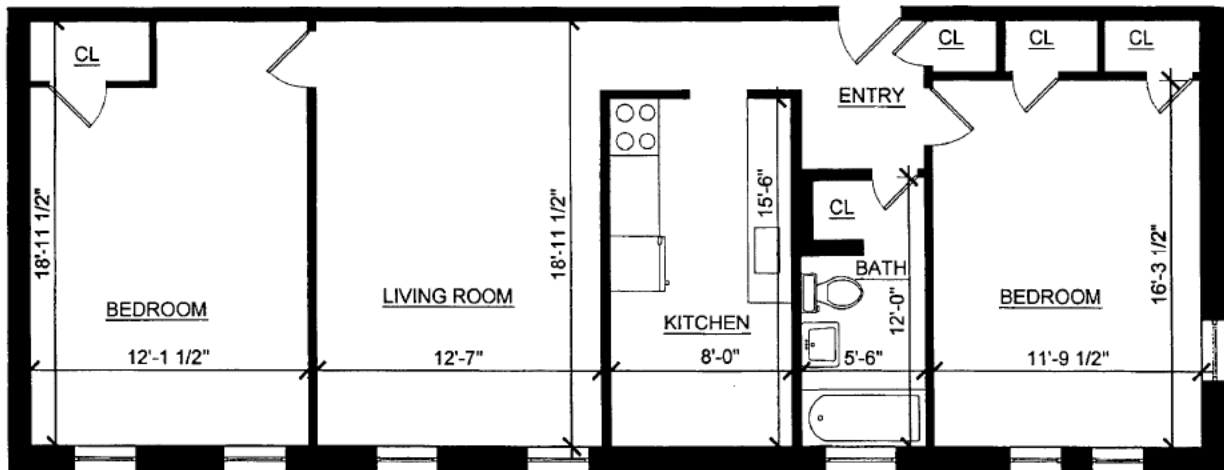
KEY PLAN:



APPROXIMATE TOTAL AREA: 1042 SF

NOTE:

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2. THE LAYOUT REPRESENTED IS A TYPICAL UNIT LAYOUT BASED ON UNITS INSPECTED AND INFORMATION PROVIDED BY BUILDING PERSONNEL. EACH UNIT MAY HAVE SOME VARIATIONS BASED ON MODIFICATIONS COMPLETED BY PAST OR CURRENT RESIDENTS.
3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.



1

UNIT A1

1/8" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

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TYPICAL UNIT FLOOR PLANS & LAYOUTS

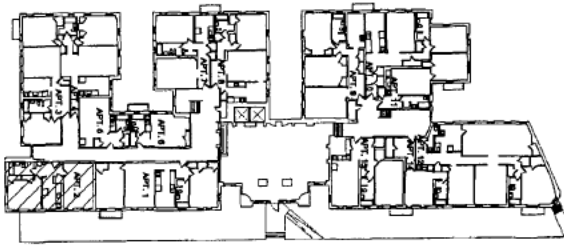
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No: 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A2-01

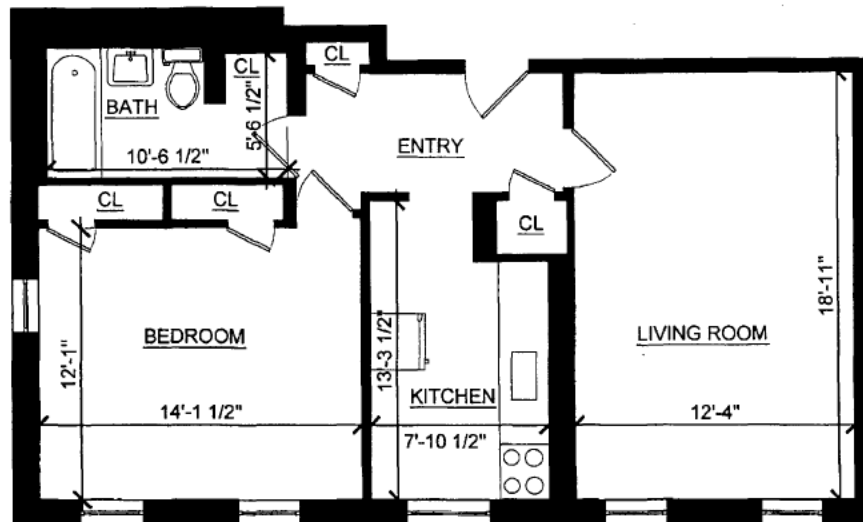
KEY PLAN:



APPROXIMATE TOTAL AREA: 762 SF

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1

UNIT A2

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

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12 CROWN STREET
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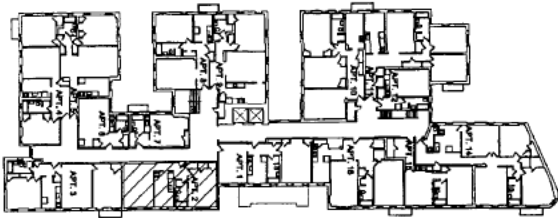
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CHECKED BY: YL

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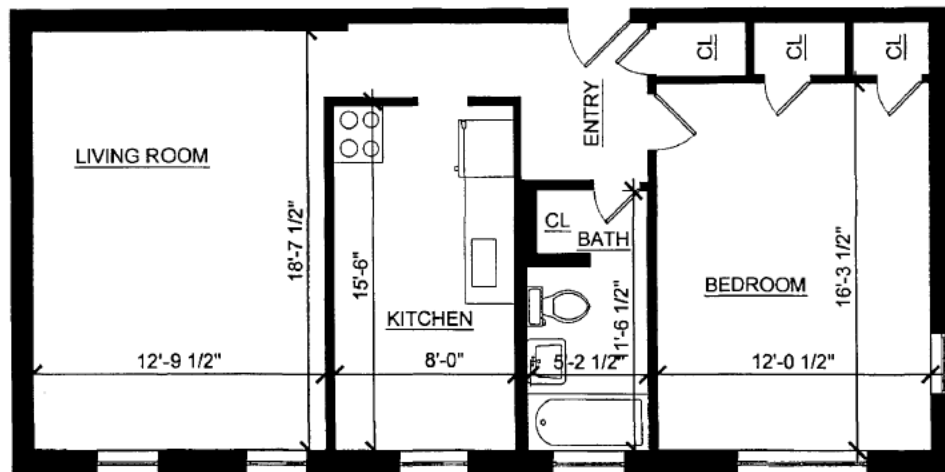
KEY PLAN:



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APPROXIMATE TOTAL AREA: 802 SF



1

UNIT B2,C2,D2,E2,F2

1/8" = 1'-0"

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TYPICAL UNIT FLOOR PLANS & LAYOUTS

DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016

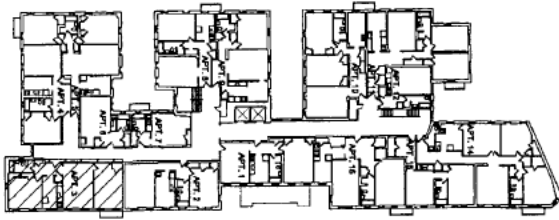
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CHECKED BY: YL

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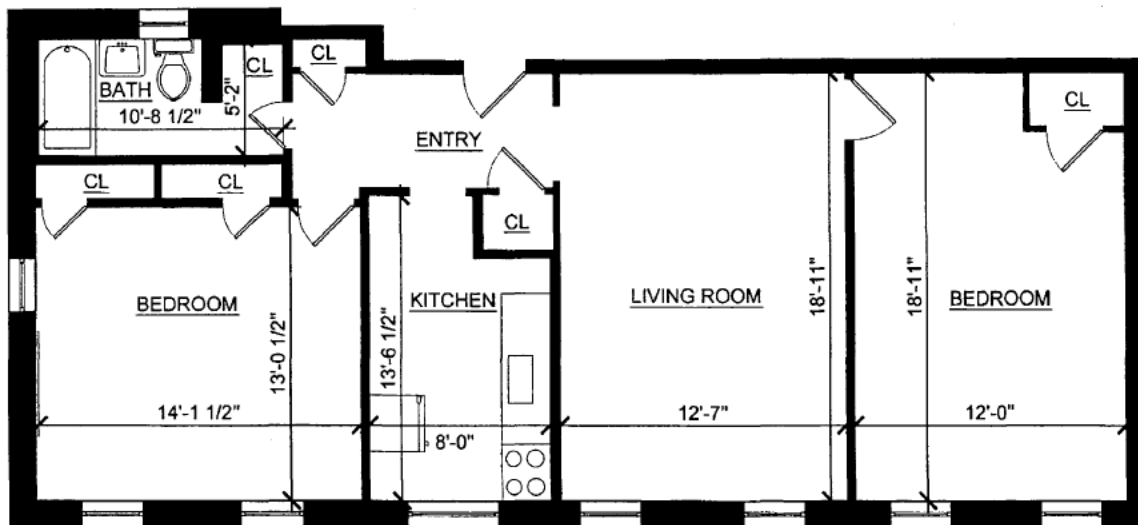
KEY PLAN:



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APPROXIMATE TOTAL AREA: 1002 SF



1

UNIT B3,C3,D3,E3,F3

1/8" = 1'-0"



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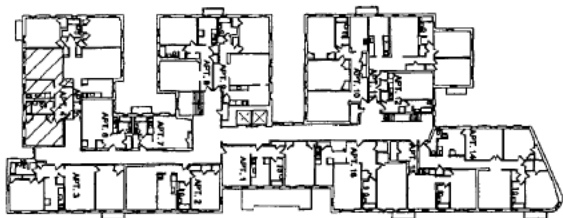
TYPICAL UNIT FLOOR PLANS & LAYOUTS**DESCRIPTION OF PROPERTY**

12 CROWN STREET
 BROOKLYN, NY 11225

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 JOB No. 15-0210
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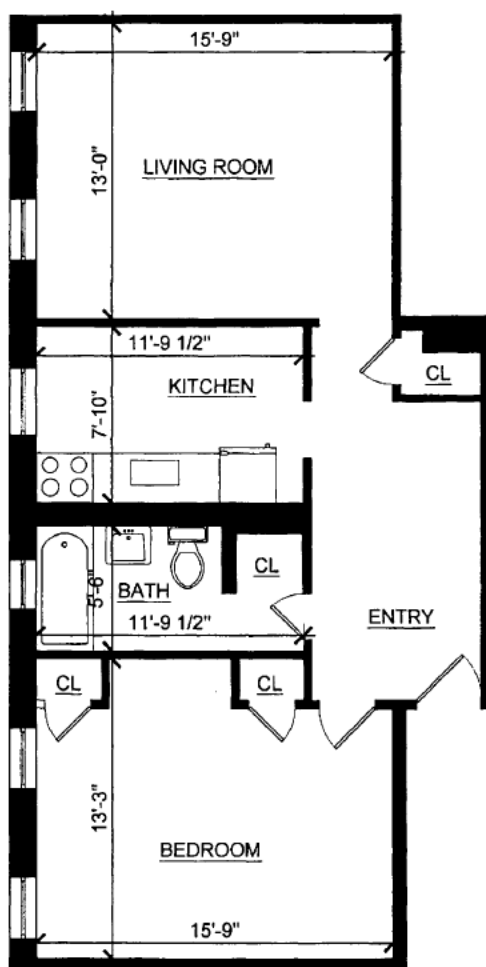
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APPROXIMATE TOTAL AREA: 756 SF



1

UNIT A3 AND B4,C4,D4,E4,F4

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS
DESCRIPTION OF PROPERTY

12 CROWN STREET
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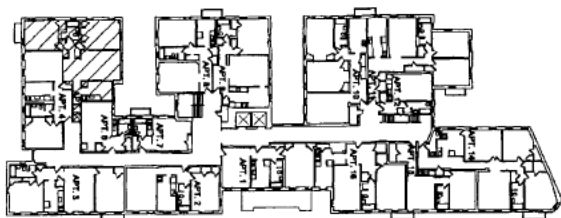
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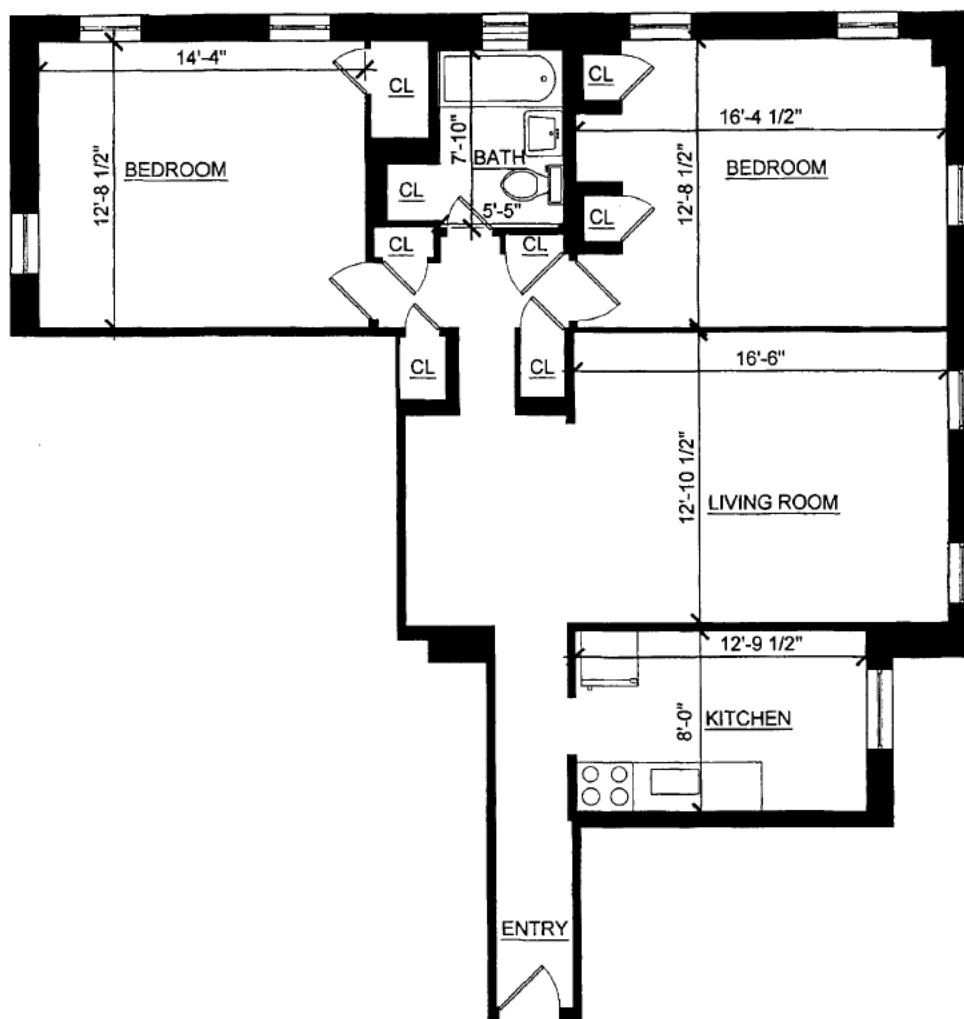
KEY PLAN:



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APPROXIMATE TOTAL AREA: 1063 SF



1

UNIT A4 AND B5, C5, D5, E5, F5

1/8" = 1'-0"



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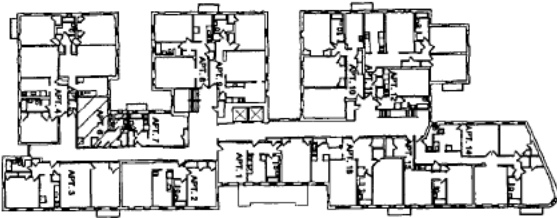
TYPICAL UNIT FLOOR PLANS & LAYOUTS
DESCRIPTION OF PROPERTY

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BROOKLYN, NY 11225

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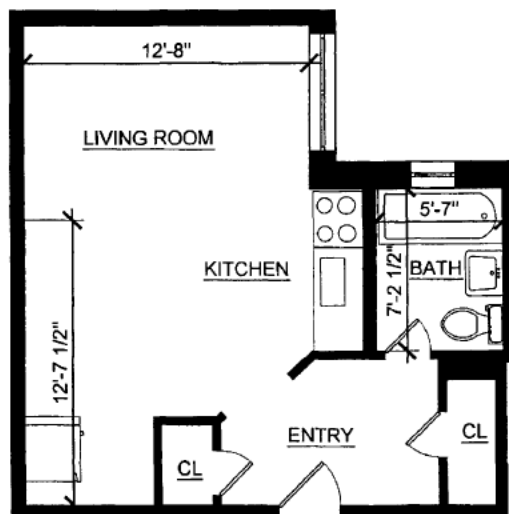
KEY PLAN:



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APPROXIMATE TOTAL AREA: 415 SF



1

UNIT A5

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS**DESCRIPTION OF PROPERTY**

12 CROWN STREET
BROOKLYN, NY 11225

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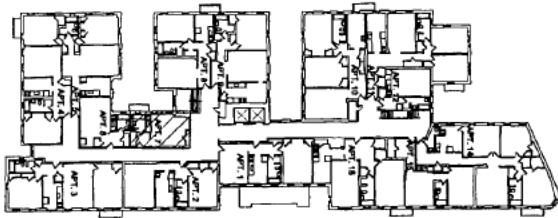
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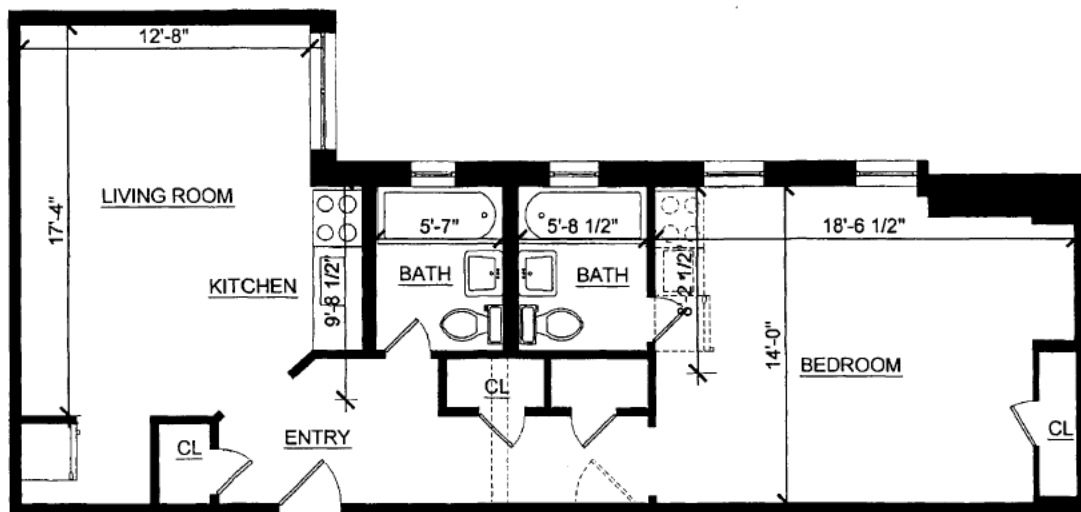
KEY PLAN:



APPROXIMATE TOTAL AREA: 785 SF

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THIS FLOOR PLAN REPRESENTS FUTURE CONDITIONS AFTER PARTITIONS ARE REMOVED AND APARTMENTS B6 AND B7 ARE COMBINED TO RESTORE TO A SINGLE UNIT WITH ALL WORK CONTINGENT UPON BECOMING VACANT.

1

UNIT B67

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

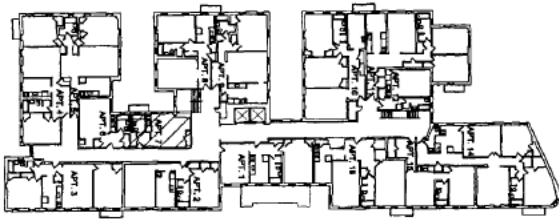
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No: 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A2-25

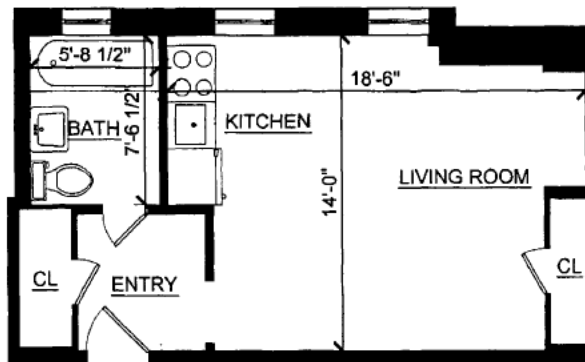
KEY PLAN:



APPROXIMATE TOTAL AREA: 370 SF

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1

UNIT A6

1/8" = 1'-0"



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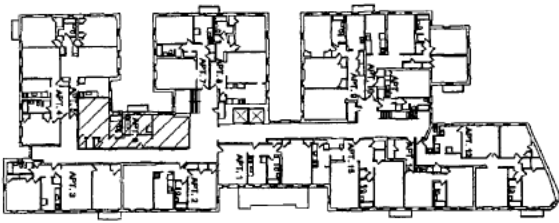
TYPICAL UNIT FLOOR PLANS & LAYOUTS
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No: 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A2-09

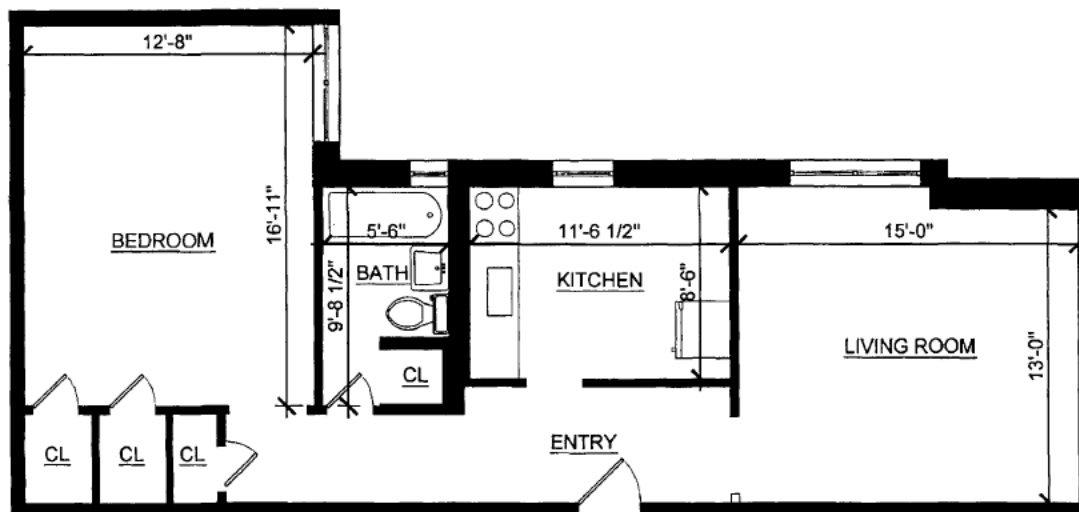
KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 785 SF



1

UNIT C6,D6,E6,F6

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

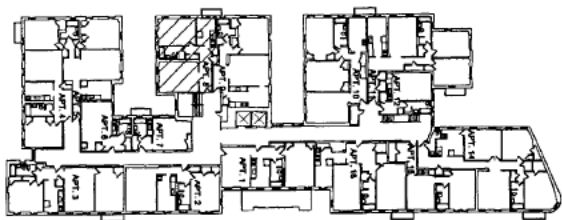
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12 CROWN STREET
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A2-10

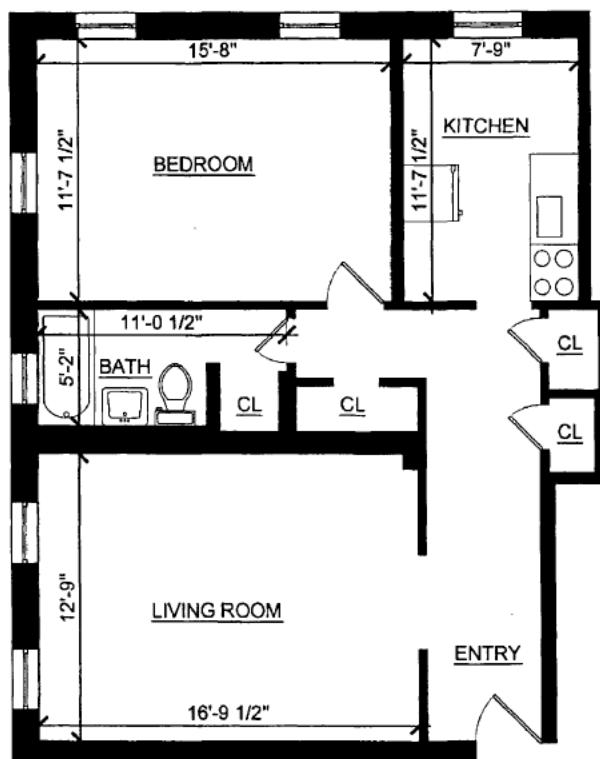
KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 781 SF



1

UNIT A7,C7,D7,E7,F7 AND B8

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

DESCRIPTION OF PROPERTY

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BROOKLYN, NY 11225

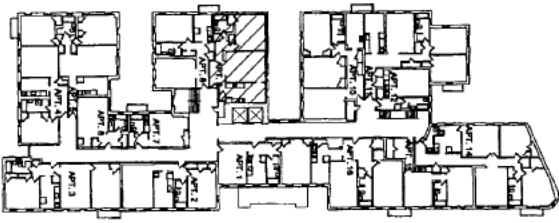
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A2-11

KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 875 SF



1

UNIT A8,C8,D8,E8,F8 AND B9

1/8" = 1'-0"



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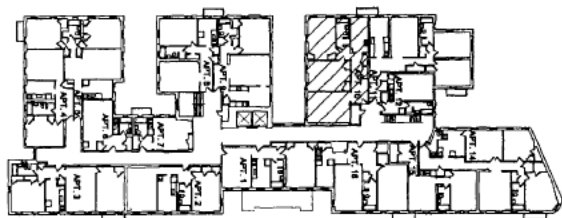
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A2-12

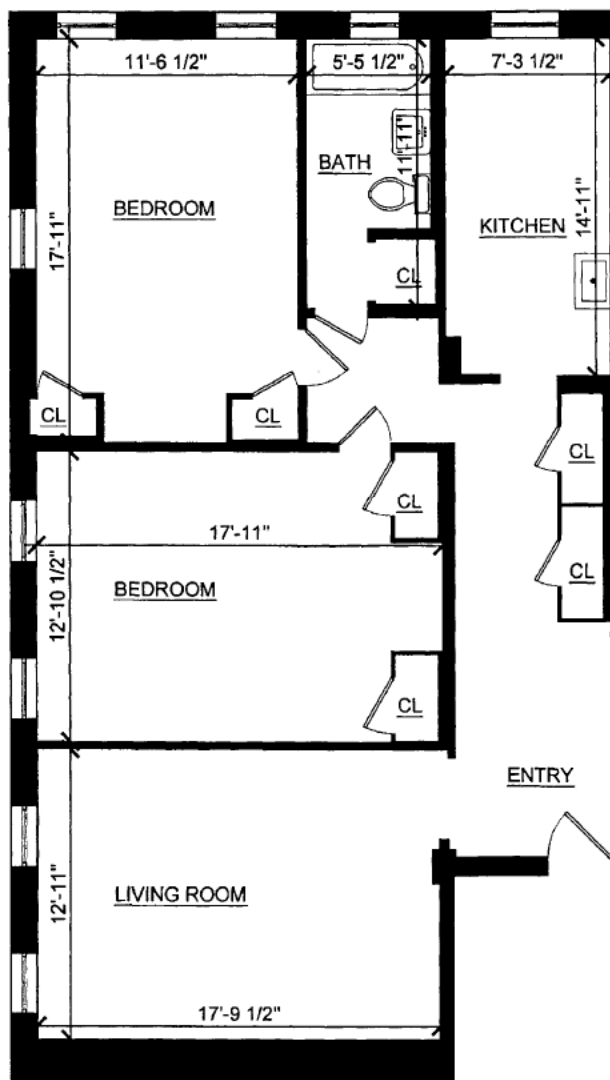
KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 1140 SF



1

UNIT A9,C9,D9,E9,F9 AND B10

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

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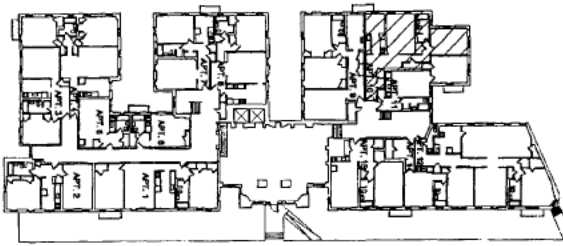
JOB No. 15-0210

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CHECKED BY: YL

A2-13

KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 929 SF



1

UNIT A10,D10,E10

1/8" = 1'-0"



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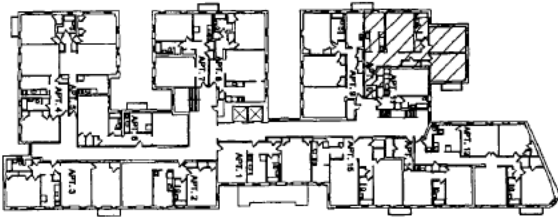
TYPICAL UNIT FLOOR PLANS & LAYOUTS
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12 CROWN STREET
BROOKLYN, NY 11225

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A2-14

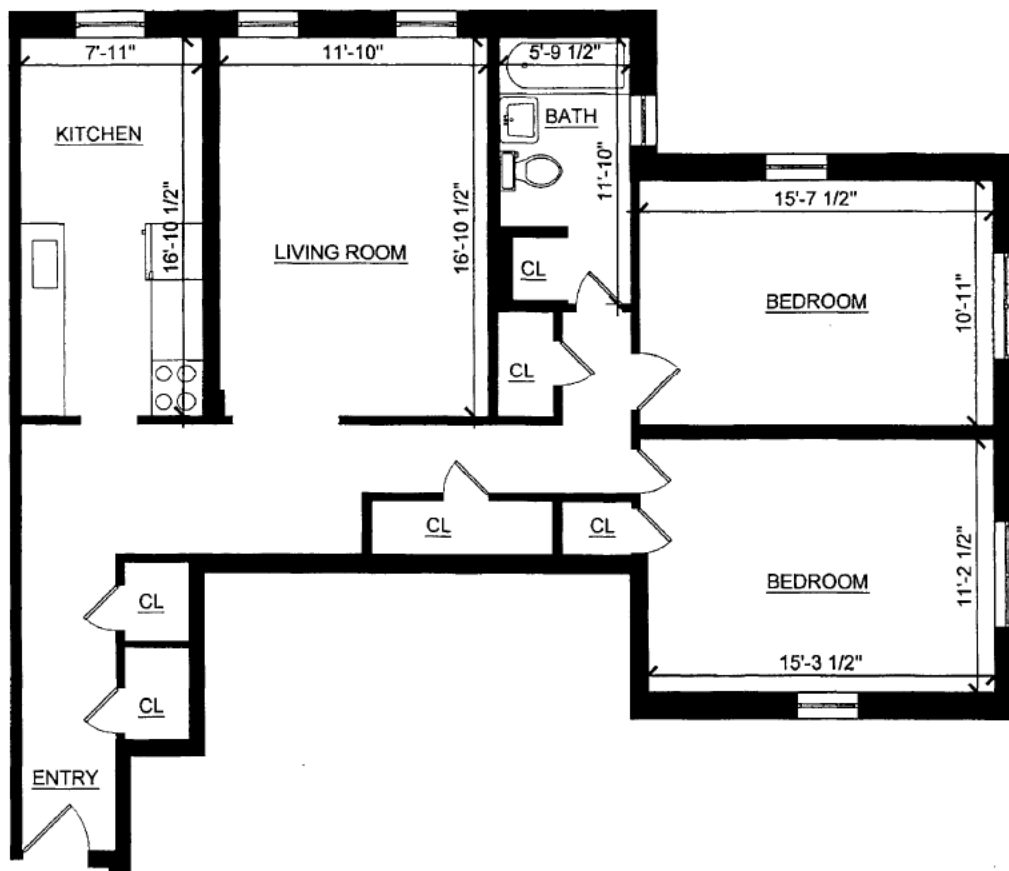
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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 1136 SF



1

UNIT C10, F10 AND B11

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS**DESCRIPTION OF PROPERTY**

12 CROWN STREET
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SCALE: AS SHOWN DATE: 9.29.2016

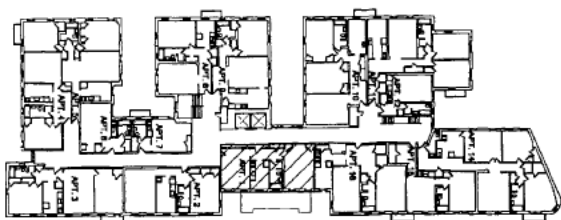
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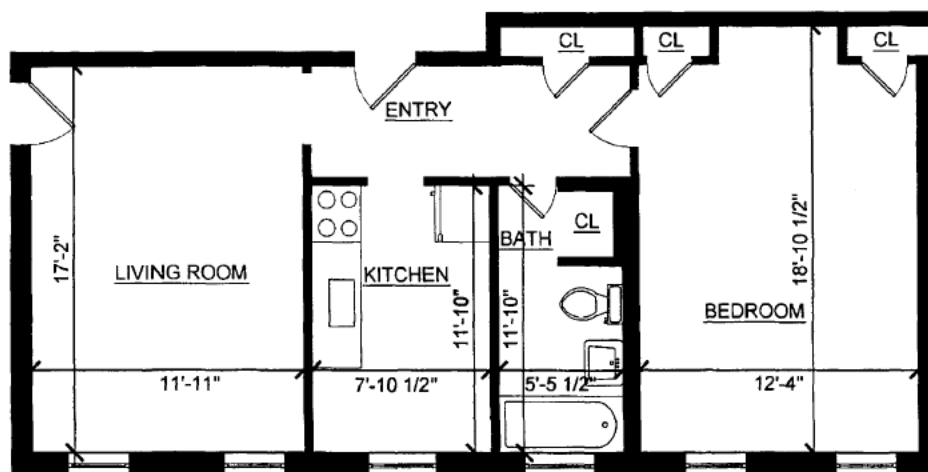
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APPROXIMATE TOTAL AREA: 749 SF



1

UNIT B1,C1,D1,E1,F1

1/8" = 1'-0"



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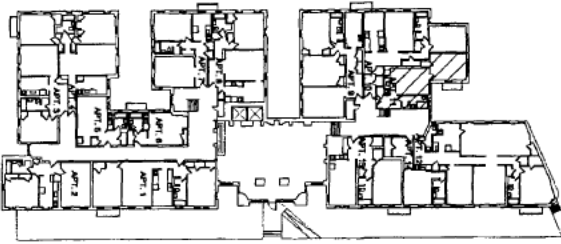
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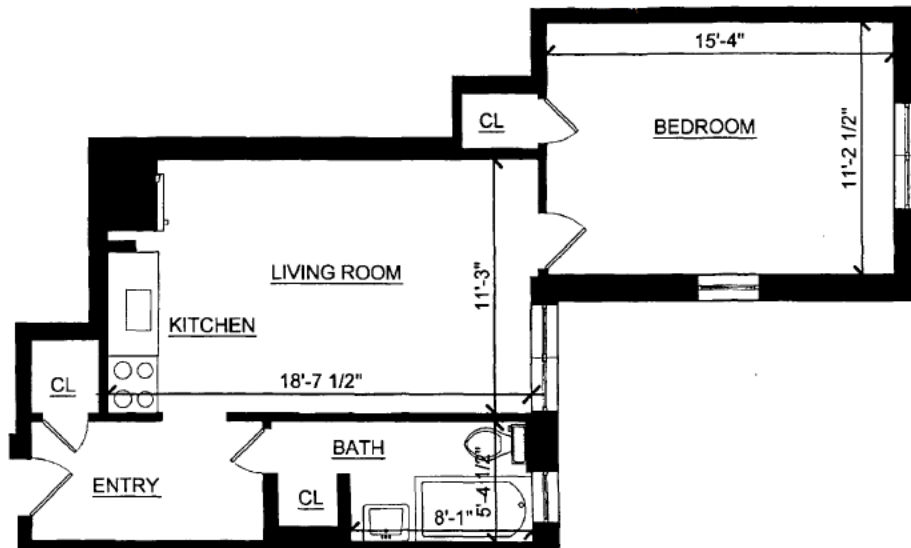
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APPROXIMATE TOTAL AREA: 583 SF



1

UNIT A11, D11, E11

1/8" = 1'-0"



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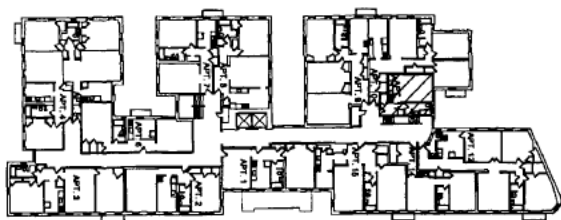
TYPICAL UNIT FLOOR PLANS & LAYOUTS
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A2-16

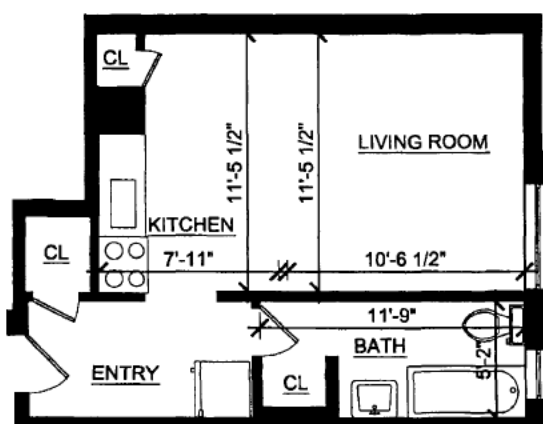
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APPROXIMATE TOTAL AREA: 376 SF



NOTE: WALL BETWEEN LIVING ROOM AND KITCHEN WILL BE REMOVED AND IS NOT SHOWN ON THIS DRAWING.

1

UNIT C11, F11 AND B12

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016

JOB No. 15-0210

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A2-17

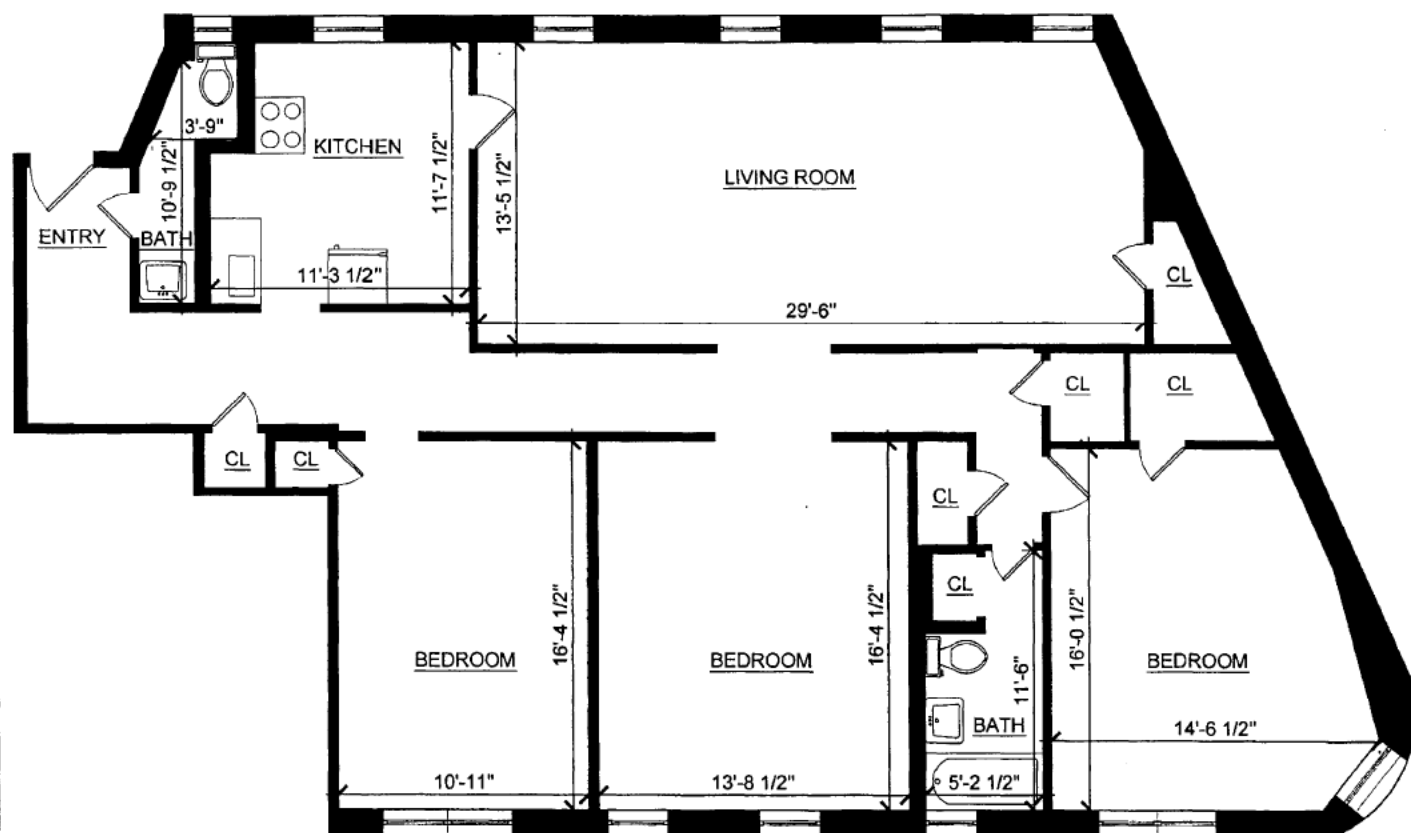
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APPROXIMATE TOTAL AREA: 1692 SF



1

UNIT A12,D12

1/8" = 1'-0"



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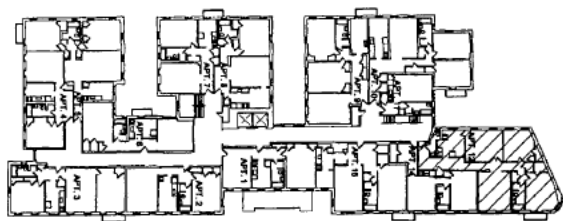
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A2-18

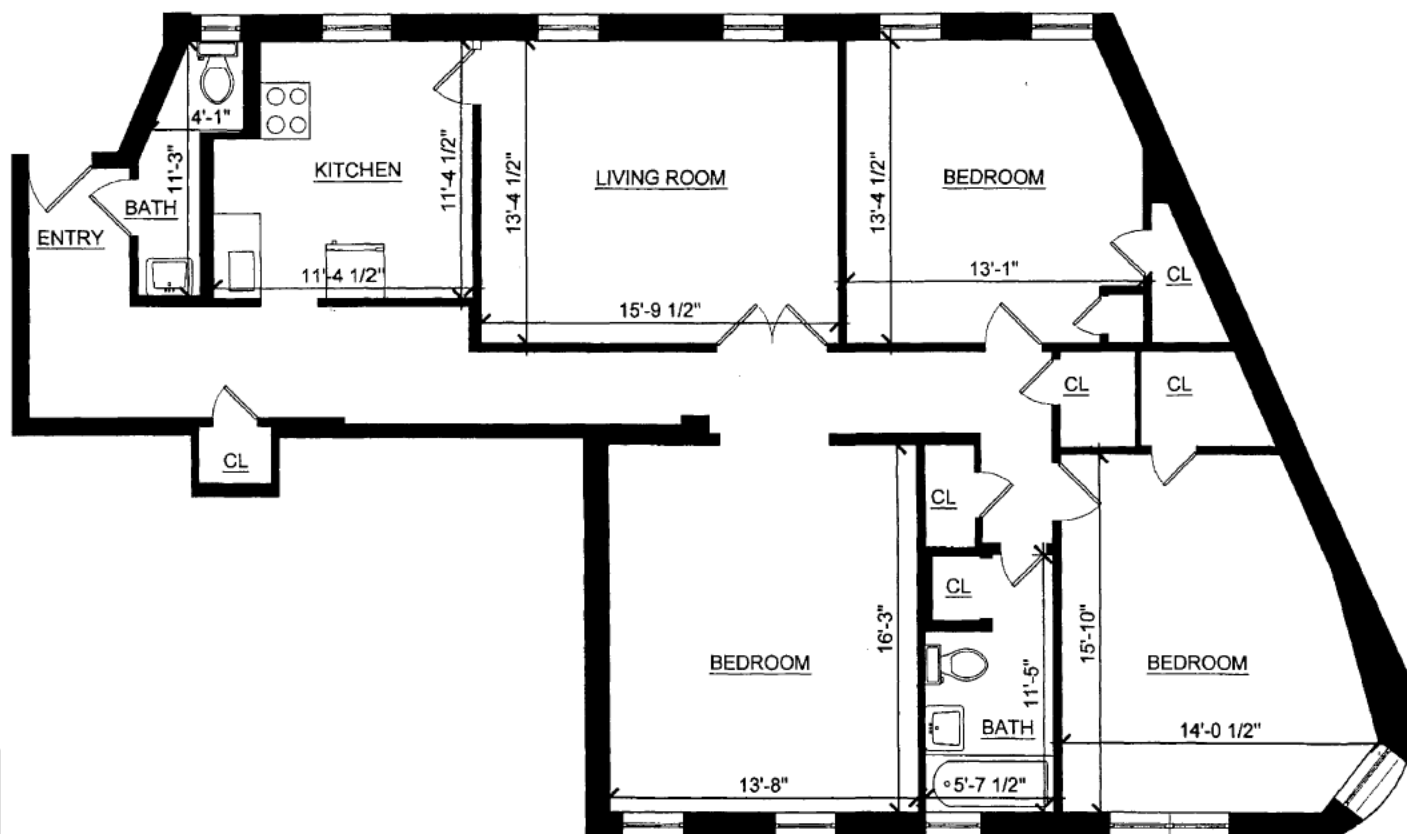
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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 1482 SF



1

UNIT C12, E12, F12 AND B14

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

DESCRIPTION OF PROPERTY

12 CROWN STREET
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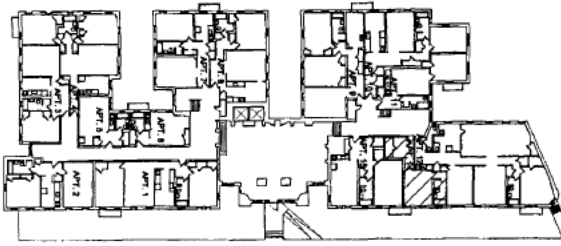
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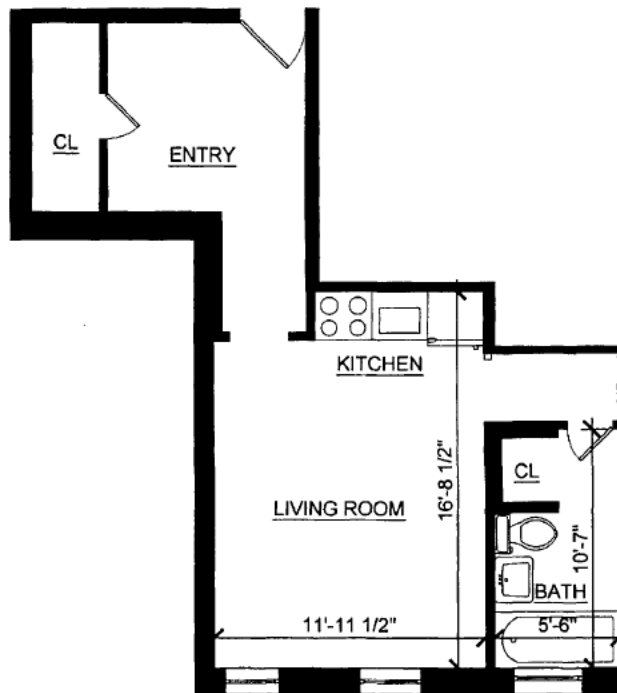
KEY PLAN:



APPROXIMATE TOTAL AREA: 439 SF

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1

UNIT A14,D14

1/8" = 1'-0"



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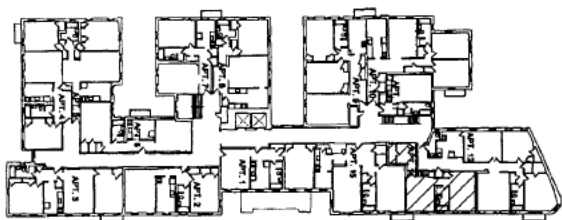
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A2-20

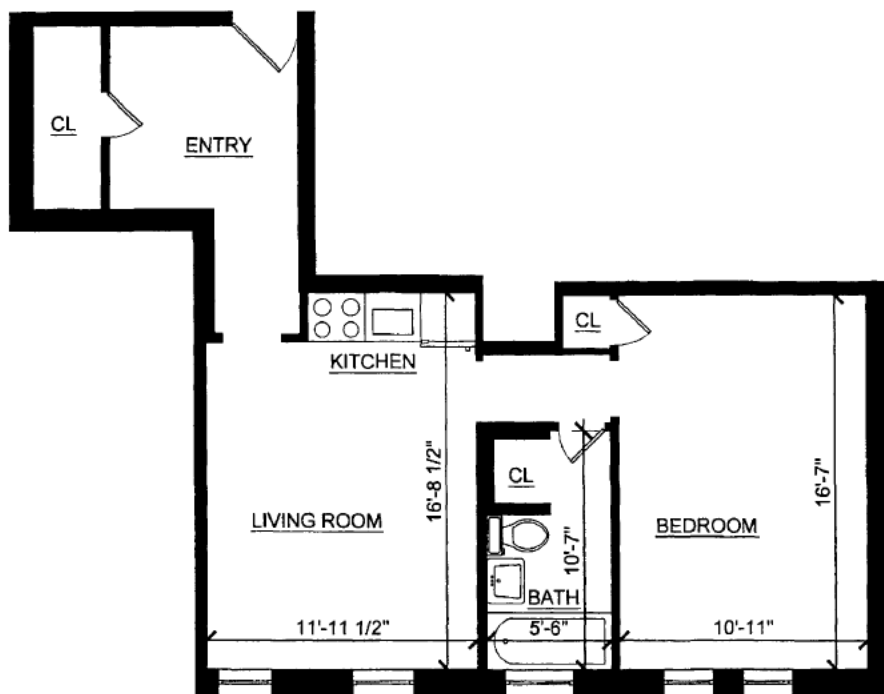
KEY PLAN:



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APPROXIMATE TOTAL AREA: 638 SF



1

UNIT C14, E14, F14 AND B15

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

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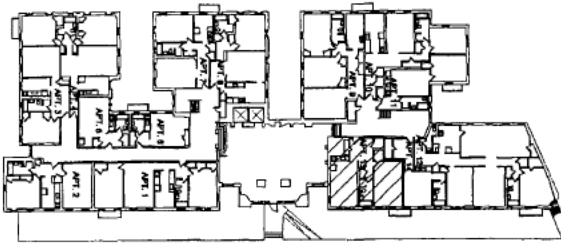
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A2-21

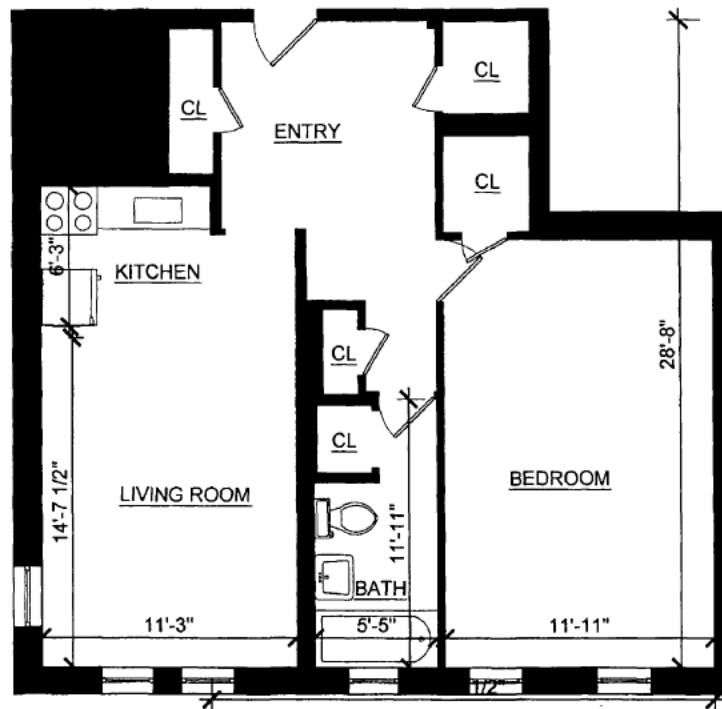
KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 788 SF



1

UNIT A15

1/8" = 1'-0"



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TYPICAL UNIT FLOOR PLANS & LAYOUTS

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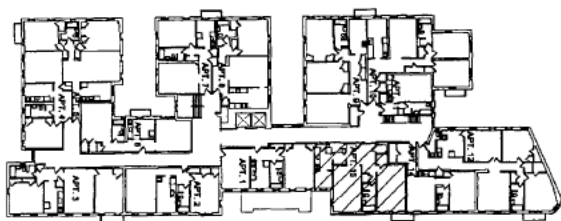
SCALE: AS SHOWN DATE: 9.29.2016

JOB No: 15-0210

DRAWN BY: NCD/HP CHECKED BY: YL

A2-22

KEY PLAN:



APPROXIMATE TOTAL AREA: 976 SF

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1

UNIT C15,D15,E15,F15

1/8" = 1'-0"



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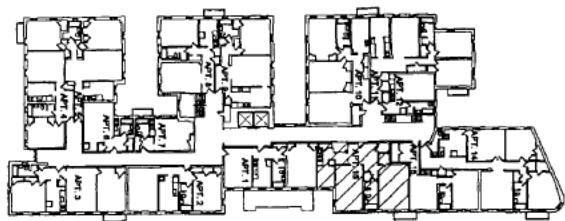
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A2-23

KEY PLAN:



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3. THE TOTAL AREA OF THE RESIDENTIAL UNIT WAS CALCULATED FROM THE MIDPOINT OF THE EXTERIOR WALLS TO THE CENTER LINE OF ALL INTERIOR AND/OR DEMISING WALLS.

APPROXIMATE TOTAL AREA: 976 SF



1

UNIT B16

1/8" = 1'-0"



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CHECKED BY: YL

A2-24

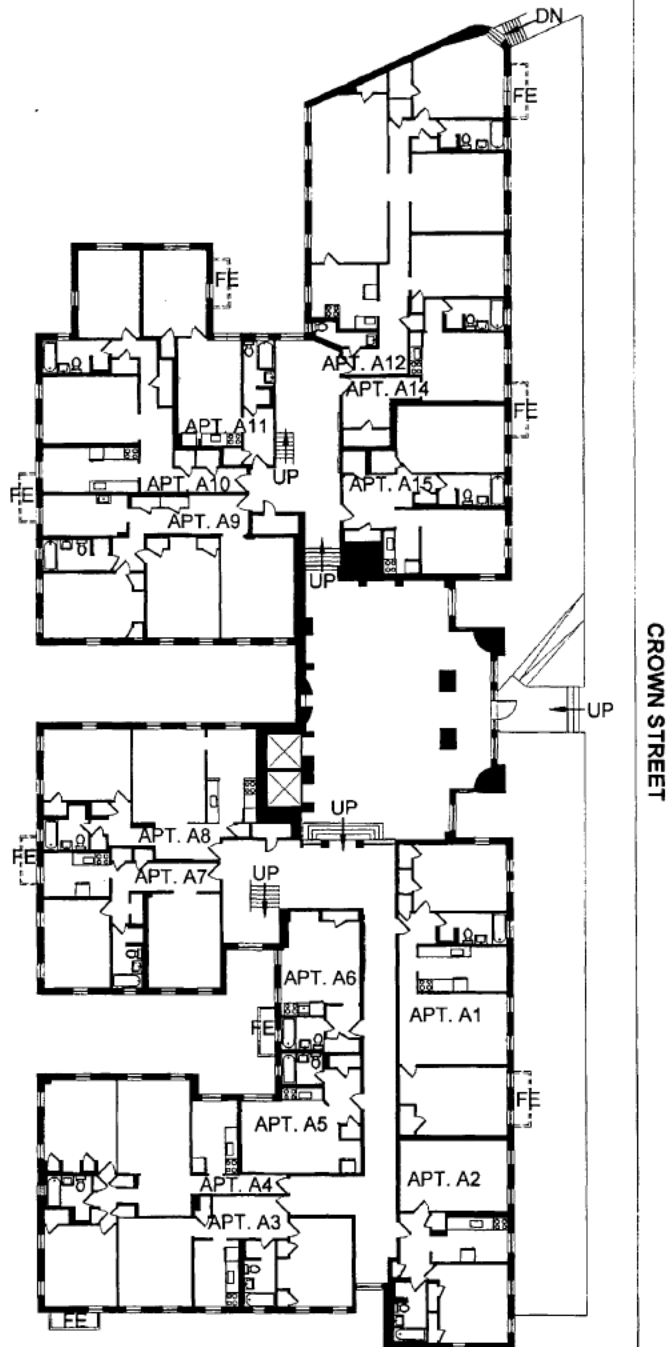


APPENDIX 3

MASTER FLOOR PLANS

Description of Property & Building Condition Report | 12-34 CROWN STREET

NOTE:
THIS PLAN IS FOR
GENERAL
INFORMATION ONLY.
THE INFORMATION
SHOWN HERE IS
APPROXIMATE.



1

FIRST FLOOR PLAN

1/32" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

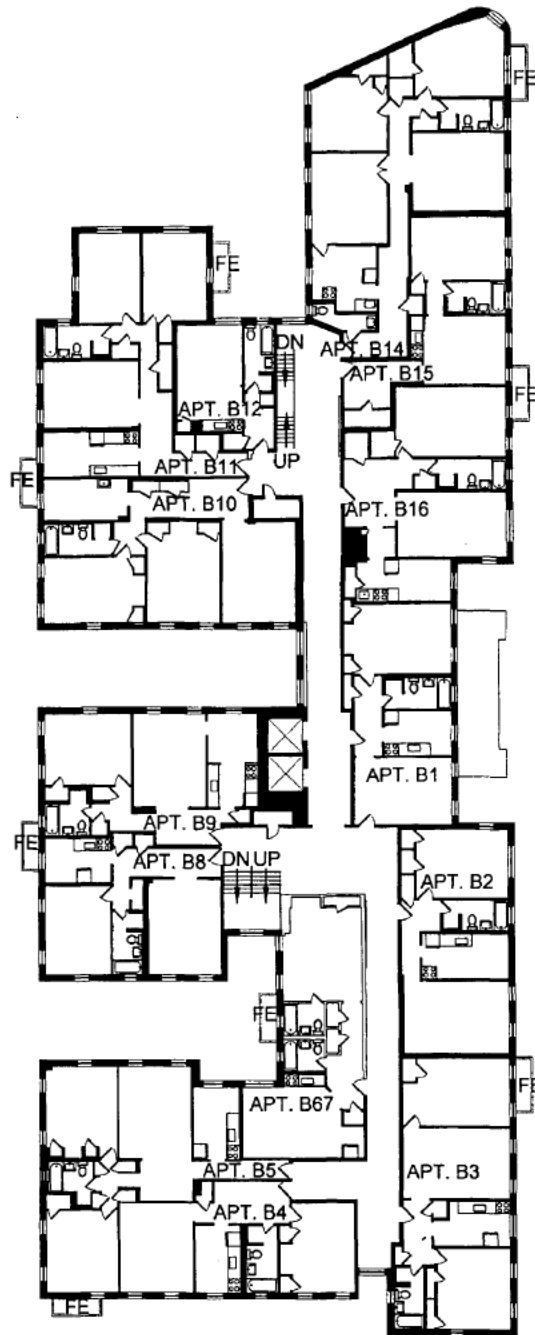
TYPICAL UNIT FLOOR PLANS & LAYOUTS
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No. 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A3-02

NOTE:
THIS PLAN IS FOR
GENERAL
INFORMATION ONLY.
THE INFORMATION
SHOWN HERE IS
APPROXIMATE.



1

SECOND FLOOR PLAN

1/32" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

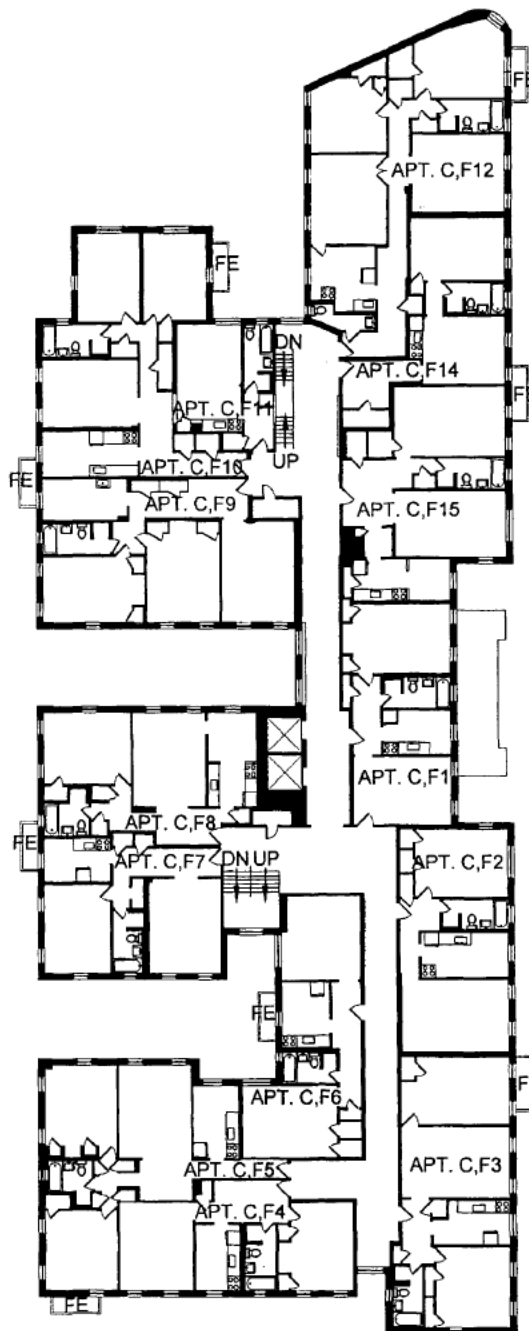
TYPICAL UNIT FLOOR PLANS & LAYOUTS**DESCRIPTION OF PROPERTY**

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No. 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A3-03

NOTE:
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THE INFORMATION
SHOWN HERE IS
APPROXIMATE.



1

THIRD AND SIXTH FLOOR PLAN

1/32" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS

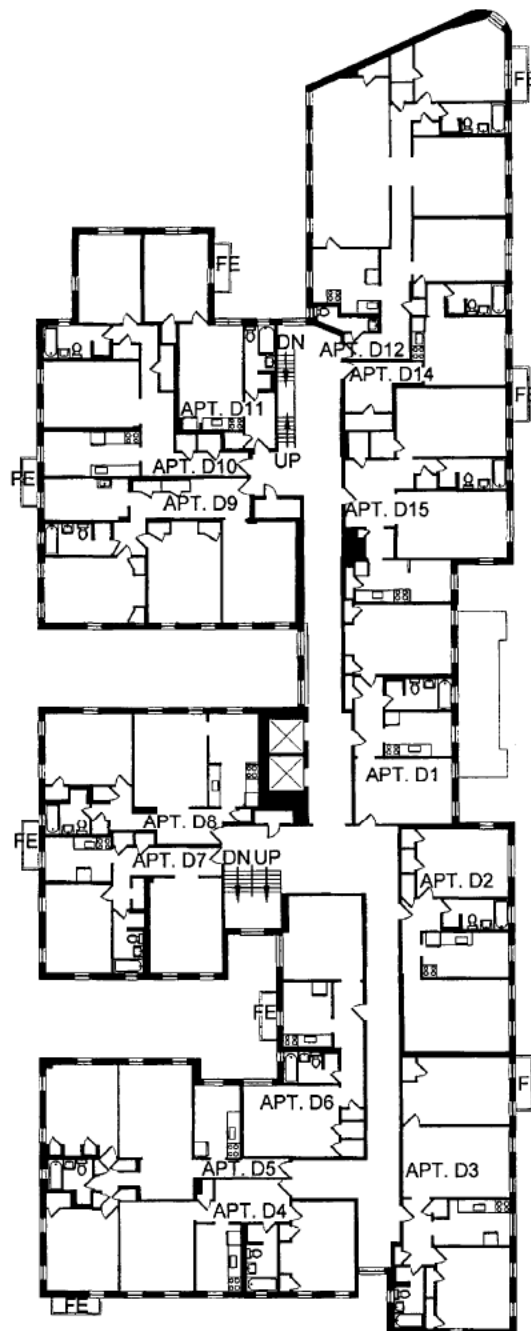
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No. 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A3-04

NOTE:
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GENERAL
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SHOWN HERE IS
APPROXIMATE.



1

FOURTH FLOOR PLAN

1/32" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS

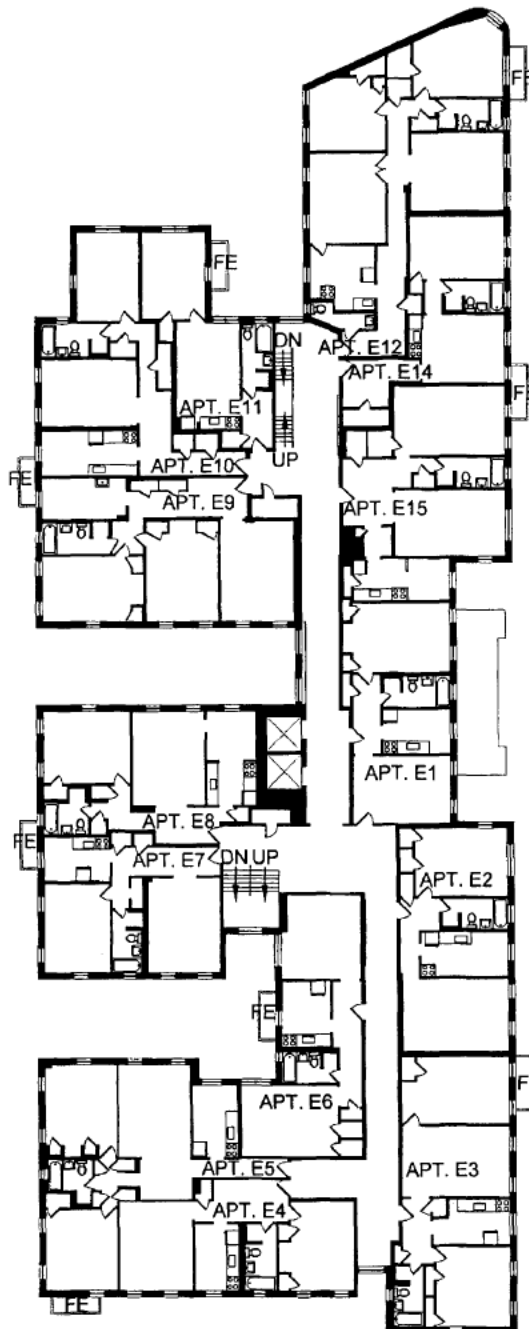
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No. 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A3-05

NOTE:
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1

FIFTH FLOOR PLAN

1/32" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS

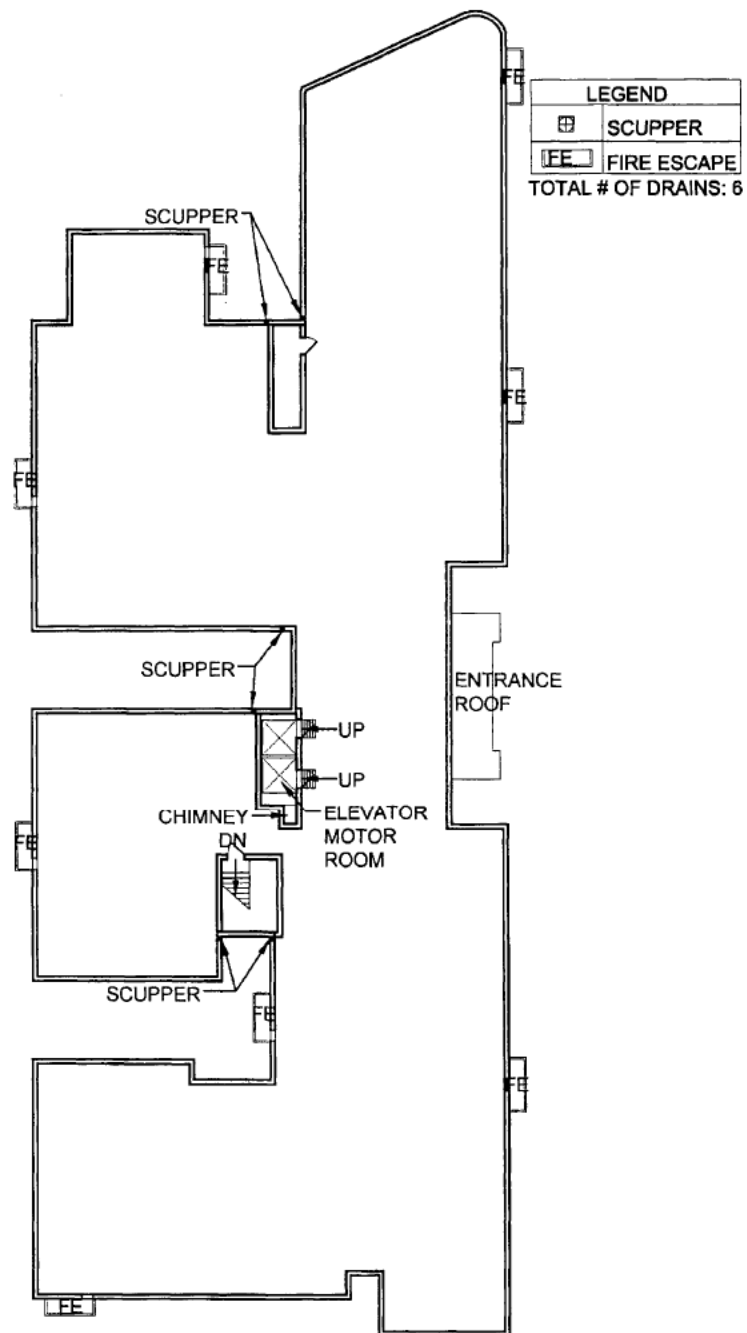
DESCRIPTION OF PROPERTY

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016
JOB No. 15-0210
DRAWN BY: NCD/HP CHECKED BY: YL

A3-06

NOTE:
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GENERAL
INFORMATION ONLY.
THE INFORMATION
SHOWN HERE IS
APPROXIMATE.



1

ROOF PLAN

1/32" = 1'-0"



HOWARD L. ZIMMERMAN
ARCHITECTS, P.C.

11 West 30th Street, New York, N.Y. 10001
Phone 212.564.9393; Fax 212.564.9032

TYPICAL UNIT FLOOR PLANS & LAYOUTS**DESCRIPTION OF PROPERTY**

12 CROWN STREET
BROOKLYN, NY 11225

SCALE: AS SHOWN DATE: 9.29.2016

JOB No. 15-0210

DRAWN BY: NCD/HP

CHECKED BY: YL

A3-07



APPENDIX 4

CERTIFICATES OF OCCUPANCY

Description of Property & Building Condition Report | 12-34 CROWN STREET

Form 51 (Rev. 8/63)

THE CITY OF NEW YORK



DEPARTMENT OF BUILDINGS

CERTIFICATE OF OCCUPANCY

BOROUGH BROOKLYN

DATE: NOV 23 1999 NO. 3P0007352

ZONING DISTRICT R8

This certificate supersedes C.O. NO

THIS CERTIFIES that the new—altered—existing—building—premises located at

12-34 CROWN STREET

Block 1190 Lot 14

CONFORMS SUBSTANTIALLY TO THE APPROVED PLANS AND SPECIFICATIONS AND TO THE REQUIREMENTS OF ALL APPLICABLE LAWS, RULES, AND REGULATIONS FOR THE USES AND OCCUPANCIES SPECIFIED HEREIN.

PERMISSIBLE USE AND OCCUPANCY

STORY	LIVE LOAD LBS PER SQ FT	MAXIMUM NO OF PERSONS PERMITTED	ZONING DWELLING OR ROOMING UNIT	BUILDING CODE HABITABLE ROOMS	ZONING USE GROUP	BUILDING CODE OCCUPANCY GROUP	DESCRIPTION OF USE
CELLAR	O.G	66			4	C	62 CHILD AGE 3-6 DAY CARE CENTER & ORD. STGE. 4 TEACHER
FIRST	40		14		2	RES	14 FAMILY
SECOND	40		14		2	RES	14 FAMILY
THIRD	40		14		2	RES	14 FAMILY
FOURTH	40		14		2	RES	14 FAMILY
FIFTH	40		14		2	RES	14 FAMILY
SIXTH	40		14		2	RES	14 FAMILY

 OPEN SPACE USES NONE
 (SPECIFY—PARKING SPACES, LOADING BERTHS, OTHER USES, NONE)

 NO CHANGES OF USE OR OCCUPANCY SHALL BE MADE UNLESS
 A NEW AMENDED CERTIFICATE OF OCCUPANCY IS OBTAINED

 THIS CERTIFICATE OF OCCUPANCY IS ISSUED SUBJECT TO FURTHER LIMITATIONS, CONDITIONS AND
 SPECIFICATIONS NOTED ON THE REVERSE SIDE.

 [Signature] RE.
 BOROUGH SUPERINTENDENT

 [Signature] 13
 Acting Commissioner
 COMMISSIONER

☐ ORIGINAL ☐ OFFICE COPY - DEPARTMENT OF BUILDINGS ☐ COPY

B Form 54 (Back) (Rev. 8/82)

THAT THE ZONING LOT ON WHICH THE PREMISES IS LOCATED IS BOUNDED AS FOLLOWS:

BEGINNING at a point on the EASTERLY side of CROWN STREET
 distant 96'-4" feet from the corner formed by the intersection of
 running thence EASTERLY 238'-5" WASHINGTON AVE. and CROWN STREET NORTHERLY 102'-4½" feet;
 thence WESTERLY 238'-5" feet; thence SOUTHERLY 102'-4½" feet;
 thence feet; thence feet;
 thence feet; thence feet;
 to the point or place of beginning.

ALT 1035/89

NO. or ALT. No.

DATE OF COMPLETION 1/28/94 CONSTRUCTION CLASSIFICATION NFP

BUILDING OCCUPANCY GROUP CLASSIFICATION RES HEIGHT 6 STORIES, 65' FEET

65'-0" 6

THE FOLLOWING FIRE DETECTION AND EXTINGUISHING SYSTEMS ARE REQUIRED AND WERE INSTALLED IN COMPLIANCE WITH APPLICABLE LAWS.

	YES	NO		YES	NO
STANDPIPE SYSTEM		X	AUTOMATIC SPRINKLER SYSTEM		X
YARD HYDRANT SYSTEM		X			
STANDPIPE FIRE TELEPHONE AND SIGNALLING SYSTEM		X			
SMOKE DETECTOR	X				
FIRE ALARM AND SIGNAL SYSTEM		X			

STORM DRAINAGE DISCHARGES INTO:

A) STORM SEWER ☐ B) COMBINED SEWER ☐ C) PRIVATE SEWAGE DISPOSAL SYSTEM ☐

SANITARY DRAINAGE DISCHARGES INTO:

A) SANITARY SEWER ☐ B) COMBINED SEWER ☐ C) PRIVATE SEWAGE DISPOSAL SYSTEM ☐

LIMITATIONS OR RESTRICTIONS:

BOARD OF STANDARDS AND APPEALS CAL. NO. _____

CITY PLANNING COMMISSION CAL. NO. _____

OTHERS: _____





APPENDIX 5

TENANT PROTECTION PLAN

Description of Property & Building Condition Report | 12-34 CROWN STREET

TENANT PROTECTION PLAN (PER 28-104.8.4)

EGRESS. AT ALL TIMES IN THE COURSE OF CONSTRUCTION PROVISION SHALL BE MADE FOR ADEQUATE EGRESS AS REQUIRED BY THIS CODE AND THE TENANT PROTECTION PLAN SHALL IDENTIFY THE EGRESS THAT WILL BE PROVIDED. REQUIRED EGRESS SHALL NOT BE OBSTRUCTED AT ANY TIME EXCEPT WHERE APPROVED BY THE COMMISSIONER.

FIRE SAFETY. ALL NECESSARY LAWS AND CONTROLS, INCLUDING THOSE WITH RESPECT TO OCCUPIED DWELLINGS, AS WELL AS ADDITIONAL SAFETY MEASURES NECESSITATED BY THE CONSTRUCTION SHALL BE STRICTLY OBSERVED.

HEALTH REQUIREMENTS. SPECIFICATION OF METHODS TO BE USED FOR CONTROL OF DUST, DISPOSAL OF CONSTRUCTION DEBRIS, PEST CONTROL AND MAINTENANCE OF SANITARY FACILITIES, AND LIMITATION OF NOISE TO ACCEPTABLE LEVELS SHALL BE INCLUDED. NOTE: THERE SHALL BE INCLUDED A STATEMENT OF COMPLIANCE WITH APPLICABLE PROVISIONS OF LAW RELATING TO LEAD AND ASBESTOS.

COMPLIANCE WITH HOUSING STANDARDS. THE REQUIREMENTS OF THE NEW YORK CITY HOUSING MAINTENANCE CODE, AND, WHERE APPLICABLE, THE NEW YORK STATE MULTIPLE DWELLING LAW SHALL BE STRICTLY OBSERVED.

STRUCTURAL SAFETY. NO STRUCTURAL WORK SHALL BE DONE THAT MAY ENDANGER THE OCCUPANTS.

NOISE RESTRICTIONS. WHERE HOURS OF THE DAY OR THE DAYS OF THE WEEK IN WHICH CONSTRUCTION WORK MAY BE UNDERTAKEN ARE LIMITED PURSUANT TO THE NEW YORK CITY NOISE CONTROL CODE, SUCH LIMITATIONS SHALL BE STATED.

CONSTRUCTION OPERATIONS WILL BE CONFINED TO NORMAL WORKING HOURS OF 8 AM TO 5 PM MONDAY THROUGH FRIDAY EXCEPT HOLIDAYS WHICH WILL BE DETERMINED BY THE OWNER. NO WORK WILL BE DONE ON WEEKENDS WITHOUT WRITTEN PERMISSION BY THE OWNER OR WITHOUT A PERMIT.

ALL UNITS SHALL REMAIN OCCUPIED.



APPENDIX 6

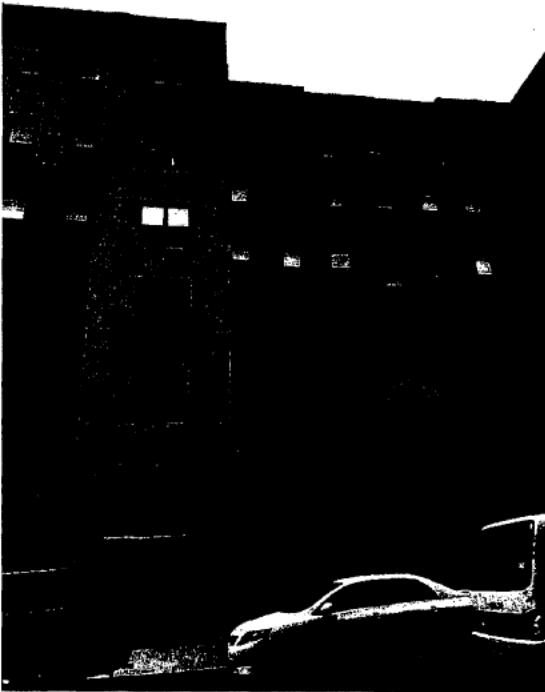
BUILDING ELEVATIONS

Description of Property & Building Condition Report | 12-34 CROWN STREET

12-34 Crown Street
New York, NY 11225

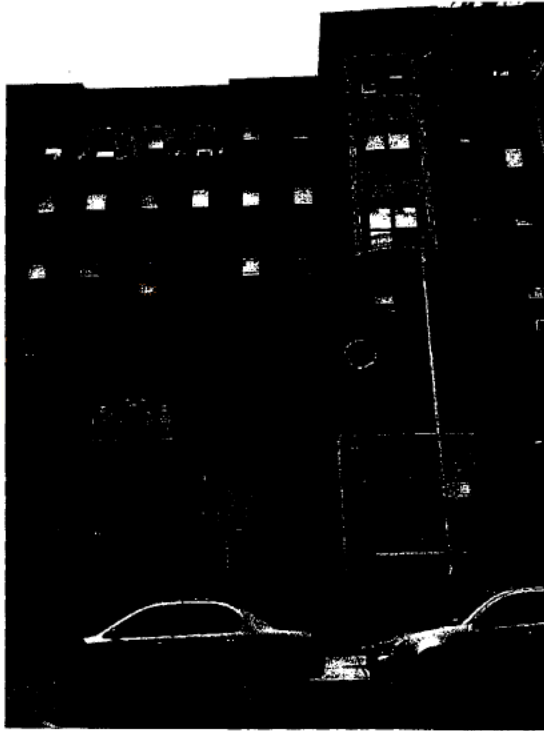


East Portion of North Façade from Crown Street

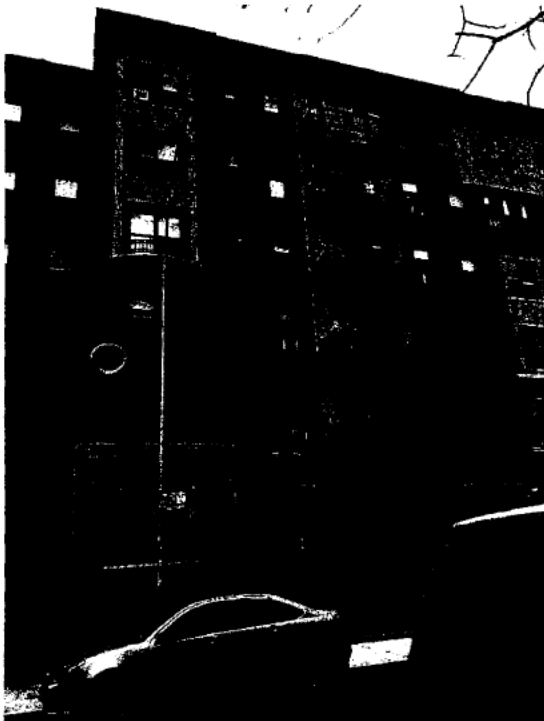


Central Portion of North Façade from Crown Street

12-34 Crown Street
New York, NY 11225

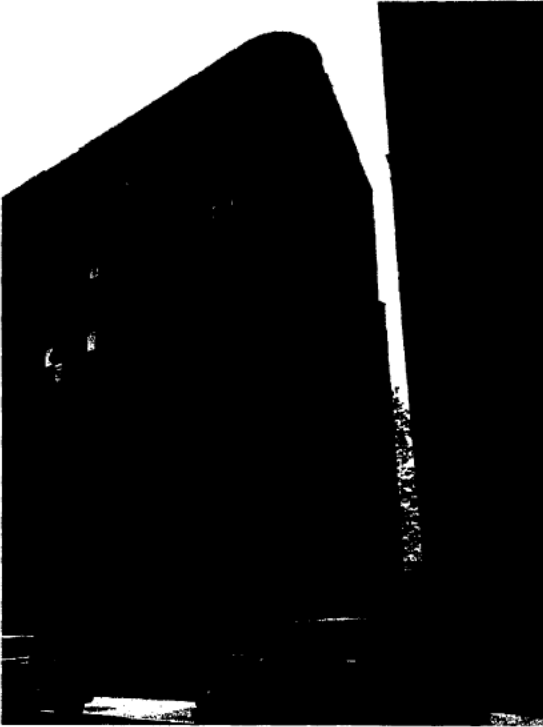


Central Portion of North Façade showing Entrance on Crown Street.



West Portion of North Façade from Crown Street

12-34 Crown Street
New York, NY 11225

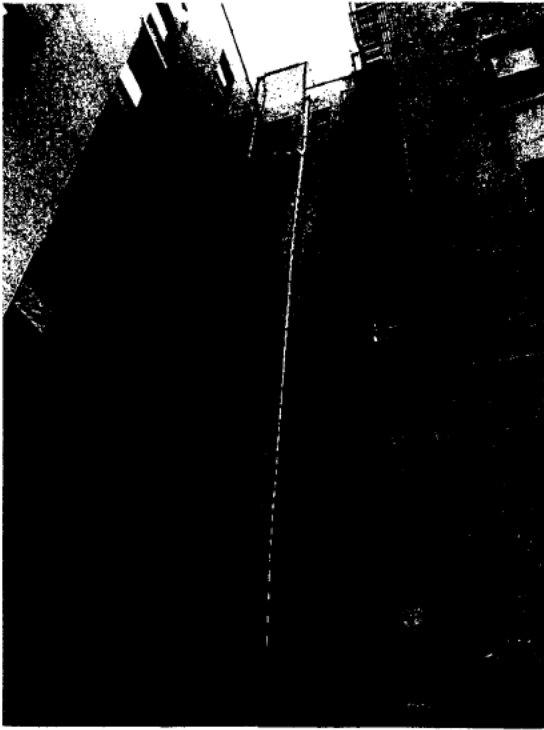


West-most Corner of North Façade from Crown Street



West Most Corner of South Façade Taken from Side Yard.

12-34 Crown Street
New York, NY 11225



West Façade and Fire Escape Taken from Side Yard.

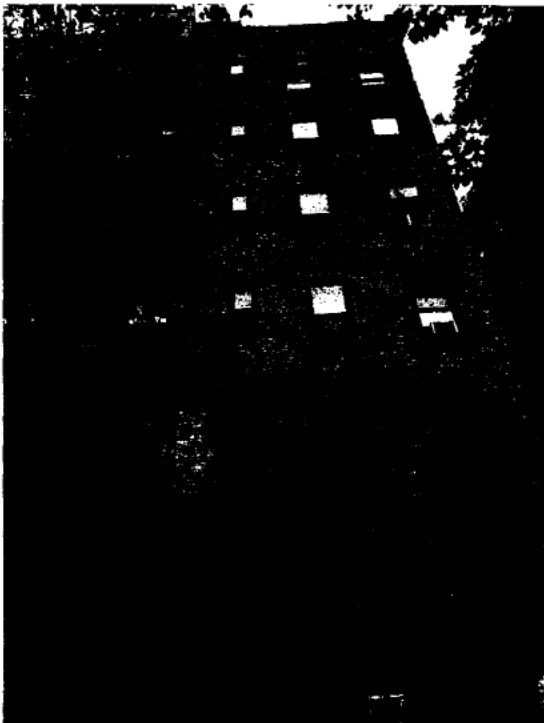


Additional photo of West Façade from Side Yard.

12-34 Crown Street
New York, NY 11225



West-most Portion of South Façade taken from Rear Yard.



West Portion of South Façade from Rear Yard.

12-34 Crown Street
New York, NY 11225



West-most Interior Yard/Yard Equivalent on South
Façade Taken from Rear



Central Portion of South Façade Between Yard
Equivalents.

12-34 Crown Street
New York, NY 11225



East-most Interior Yard/Yard Equivalent on South
Façade Taken from Rear



East-most Portion of South Façade taken from Rear.

12-34 Crown Street
New York, NY 11225



East Façade taken from Crown Street



South Portion of East Façade taken from Side Yard.



APPENDIX 7

HPD VIOLATIONS

Description of Property & Building Condition Report | 12-34 CROWN STREET

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
-	8/18/2016	10/6/2016	B	506	11355367	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING PROTECTION CAPS /COVER AT ELECTRICAL OUTLET AT 2ND EAST STAIRS POLE,CENTER SECTION AT PUBLIC HALL, 1st STORY
-	8/18/2016	10/6/2016	B	506	11353505	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS /COVER FOR ELECTRICAL OUTLET AT SOUTH AND WEST WALL AT CENTER SECTION AT PUBLIC HALL, 1st STORY
-	8/18/2016	10/6/2016	B	505	11353510	5495983	not complied	8/15/2016	9/27/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE BROKEN OR DEFECTIVE NORTH HAND RAIL AT WEST STAIRS AT CENTER SECTION AT PUBLIC HALL, 1st STORY
-	9/28/2016	11/16/2016	B	506	11409602	5523902	nov sent	9/26/2016	9/28/2016	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING NORTH HANDRAIL AT STAIR AT PUBLIC HALL, 1st STORY, SECTION AT WEST
-	11/28/2016	12/11/2016	C	672	11538187	5621042	nov sent	11/23/2016	11/28/2016	completed	§ 27-2033 ADM CODE PROVIDE READY ACCESS TO BUILDINGS HEATING SYSTEM DOOR LOCKED AT CELLAR
-	2/21/2017	4/11/2017	B	539	11657680	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES (FLOWER POTS) AT THE 3RD STACK FROM EAST ON THE NORTH EXTERIOR WALL, 3RD STORY BALCONY, AT FIRE ESCAPE
-	2/21/2017	4/11/2017	B	539	11657687	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES (FLOWER POTS) AT THE 2ND STACK FROM EAST ON THE NORTH EXTERIOR WALL, 4TH STORY BALCONY, AT FIRE ESCAPE
-	2/21/2017	4/11/2017	B	530	11657705	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005, 2007 ADM CODE ARRANGE AND MAKE SELF-CLOSING THE DOORS (FIRE DOORS) AT PUBLIC HALL, 4th STORY
-	3/31/2017	5/19/2017	B	539	11711793	5716782	nov sent	3/29/2017	3/31/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES CONSISTING OF FLOWER POTS ON THE 4TH STORY BALCONY AT THE BUILDING FRONT, CENTER STACK, AT FIRE ESCAPE

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
-	3/31/2017	5/19/2017	B	539	11711795	5716782	nov sent	3/29/2017	3/31/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES CONSISTING OF A PROTRUDING AIR CONDITIONING UNIT AND FLOWER POTS ON THE 3RD STORY BALCONY AT THE BUILDING FRONT, WEST STACK, AT FIRE ESCAPE
-	4/3/2017	4/16/2017	C	672	11717240	5718502	nov sent	4/1/2017	4/3/2017	completed	§ 27-2033 ADM CODE PROVIDE READY ACCESS TO BUILDINGS HEATING SYSTEM DOOR TO BOILER ROOM LOCK AT CELLAR
-	4/21/2017	6/9/2017	B	506	11735574	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING HAND RAIL AT BUILDING ENTRANCE RAMP
-	4/21/2017	6/9/2017	B	539	11735564	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005, 2007 ADM CODE AND DEPT. RULES AND REGULATIONS. REMOVE THE ENCUMBRANCE OBSTRUCTING EGRESS FROM FIRE ESCAPES HOUSEHOLD ITEMS ON BALCONY, WEST STACK OF BUILDING FRONT AT FIRE ESCAPE, 4th STORY
-	4/21/2017	6/9/2017	B	506	11735569	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS AND COVER AT ELECTRICAL OUTLET SOUTH, WEST AND NORTH WALLS, CENTER SECTION AT PUBLIC HALL, 1st STORY
-	4/21/2017	6/9/2017	B	506	11735572	5732891	invalid cert	4/7/2017	6/8/2017	completed	§ 27-2005 ADM CODE REPLACE WITH NEW THE MISSING CAPS AND COVER AT ELECTRICAL OUTLET EAST 2ND PILASTER, CENTER SECTION AT PUBLIC HALL, 1st STORY
1B	8/12/2016	8/25/2016	C	510	11338919	5492188	nov sent	8/3/2016	8/12/2016	completed	§ 27-2005 ADM CODE & 309 M/D LAW ABATE THE NUISANCE CONSISTING OF SEALED SECONDARY FIRE EXIT DOOR IN THE 1st ROOM FROM EAST LOCATED AT APT 1B, 2nd STORY, 4th APARTMENT FROM WEST AT NORTH
2D	8/10/2016	9/28/2016	B	568	11344493	5490363	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 2nd STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/10/2016	9/28/2016	B	569	11344496	5490363	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF MICE IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 2nd STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	508	11344529	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR EAST AND NORTH WALLS IN THE FOYER LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
2D	8/12/2016	9/30/2016	B	501	11344541	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR THE BROKEN OR DEFECTIVE AND MAKE OPERATIVE THE BELL-BUZZER / INTERCOM SYSYTEM AT NORTH WALL IN THE FOYER LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/12/2016	9/30/2016	B	508	11344542	5492187	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR NORTH WALL IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	8/16/2016	10/4/2016	B	502	11344466	5494199	invalid cert	8/8/2016	9/22/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD HEADER JAMB CASING AT WINDOW FRAME IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 5th APARTMENT FROM NORTH AT EAST
2D	2/21/2017	4/11/2017	B	598	11657574	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2026 ADM CODE REPAIR THE BROKEN OR DEFECTIVE CONNECTION AT THE WASTE LINE UNDER THE SINK IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	4/11/2017	B	568	11657575	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	4/11/2017	B	501	11657673	5687898	nov sent	2/17/2017	2/21/2017	completed	§ 27-2005 ADM CODE PROPERLY REPAIR THE BROKEN OR DEFECTIVE INTERCOM SYSTEM FROM THE BUILDING ENTRANCE TO THE APARTMENT LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
2D	2/21/2017	6/10/2017	A	509	11657570	5687897	invalid cert	2/17/2017	6/8/2017	completed	§ 27-2005 ADM CODE PROPERLY SECURE THE LOOSE FAUCET AT THE SINK IN THE KITCHEN LOCATED AT APT 2D, 4th STORY, 1st APARTMENT FROM WEST AT NORTH , SECTION AT EAST
3F	8/2/1994	11/25/1994	A	529	1268692	899191	not complied	7/19/1994	7/28/2016	completed	§ 27-2005 adm code refit window frames north east north west rooms 6 sty north east apt 3f. , section " "
5E	9/22/2014	11/10/2014	B	502	10389502	4919077	not complied	9/19/2014	7/28/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD FLOOR IN THE PRIVATE HALLWAY LOCATED AT APT 5E, 5th STORY, 2nd APARTMENT FROM EAST AT SOUTH , SECTION AT EAST

hpd/violations

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
5E	9/23/2014	11/11/2014	B	502	10389453	4919874	not complied	9/19/2014	7/28/2016	completed	§ 27-2005 ADM CODE PROPERLY REPAIR WITH SIMILAR MATERIAL THE BROKEN OR DEFECTIVE WOOD FLOOR IN THE 4th ROOM FROM NORTH LOCATED AT APT 5E, 5th STORY, 2nd APARTMENT FROM EAST AT SOUTH , SECTION AT EAST
9C	6/12/2017	7/31/2017	B	550	11820609	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 HMC:TRACE AND REPAIR THE SOURCE AND ABATE THE NUISANCE CONSISTING OF MOLD ... APPX. (4 SQ FT) SOUTH WALL IN THE BATHROOM LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	569	11820610	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF MICE IN THE ENTIRE APARTMENT LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	9/29/2017	A	556	11820604	5772244	nov sent	6/8/2017	6/12/2017	completed	§ 27-2013 ADM CODE PAINT WITH LIGHT COLORED PAINT TO THE SATISFACTION OF THIS DEPARTMENT ., 1st DOOR FROM SOUTH AT WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	568	11820611	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2018 ADMIN. CODE: ABATE THE NUISANCE CONSISTING OF ROACHES IN THE ENTIRE APARTMENT LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820605	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT EAST WALL, SOUTH WALL, WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	9/29/2017	A	556	11821279	5772244	nov sent	6/8/2017	6/12/2017	completed	§ 27-2013 ADM CODE PAINT WITH LIGHT COLORED PAINT TO THE SATISFACTION OF THIS DEPARTMENT ALL PEELING PAINT SURFACES IN THE PRIVATE HALLWAY , THE BATHROOM , THE 2nd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"

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Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
9C	6/12/2017	7/31/2017	B	508	11820606	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT SOUTH WALL IN THE PRIVATE HALLWAY LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/15/2017	C	617	11821280	5772246	nov sent	6/8/2017	6/12/2017	completed	§ 27-2056.6 ADM CODE - CORRECT THE LEAD-BASED PAINT HAZARD - PAINT THAT TESTED POSITIVE FOR LEAD CONTENT AND THAT IS PEELING OR ON A DETERIORATED SUBSURFACE - USING WORK PRACTICES SET FORTH IN 28 RCNY §11-06(B)(2) 1st DOOR FRAME FROM SOUTH AT WEST WALL IN THE 3rd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820607	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT NORTH WALL, CEILING IN THE 2nd ROOM FROM EAST LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9C	6/12/2017	7/31/2017	B	508	11820608	5772245	nov sent	6/8/2017	6/12/2017	completed	§ 27-2005 ADM CODE REPAIR THE BROKEN OR DEFECTIVE PLASTERED SURFACES AND PAINT IN A UNIFORM COLOR AT SOUTH WALL, WEST WALL, NORTH WALL IN THE BATHROOM LOCATED AT APT 9C, 3rd STORY, 1st APARTMENT FROM EAST AT SOUTH , SECTION "WEST"
9D	8/5/2016	9/23/2016	B	521	11338955	5487363	invalid cert	8/3/2016	9/22/2016	completed	§ 27-2005, 2007 ADM CODE FIRE EGRESS DEFECTIVE. REMOVE OBSTRUCTING BARS OR UNLAWFUL GATES FROM WINDOW TO FIRE ESCAPE OR PROVIDE APPROVED TYPE GATE .. IN THE KITCHEN LOCATED AT APT 9D, 4th STORY, 1st APARTMENT FROM EAST AT SOUTH
A9	4/3/2017	4/14/2017	C	670	11717233	5718762	nov sent	4/1/2017	4/3/2017	completed	§ 27-2031 ADM CODE PROVIDE HOT WATER AT ALL HOT WATER FIXTURES IN THE ENTIRE APARTMENT LOCATED AT APT A9, 1st STORY, 1st APARTMENT FROM EAST AT SOUTH
B2	9/27/2013	11/15/2013	B	508	9985772	4698452	not complied	9/25/2013	7/28/2016	completed	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color the ceiling in the bathroom located at apt b2, 2nd story, 5th apartment from west at north

hpd/violations

Apt	NOV Issued	Cert Due	Class	Order #	VIO #	NOV #	Status	Reported Date	Status Date		Description
B2	9/27/2013	11/15/2013	B	508	9985776	4698452	not complied	9/25/2013	7/28/2016	completed	§ 27-2005 adm code repair the broken or defective plastered surfaces and paint in a uniform color the ceiling inside shower stall in the bathroom located at apt b2, 2nd story, 5th apartment from west at north
B9	11/25/2016	12/6/2016	C	670	11538178	5617863	nov sent	11/23/2016	11/25/2016	completed	§ 27-2031 ADM CODE PROVIDE HOT WATER AT ALL HOT WATER FIXTURES IN THE ENTIRE APARTMENT LOCATED AT APT B9, 2nd STORY, 6th APARTMENT FROM EAST AT SOUTH
B9	11/28/2016	1/16/2017	B	702	11538179	5621041	nov sent	11/23/2016	11/28/2016	completed	§ 27-2045 ADM CODE REPAIR OR REPLACE THE SMOKE DETECTOR DEFECTIVE LOCATED AT APT B9, 2nd STORY, 6th APARTMENT FROM EAST AT SOUTH
F3	12/14/2015	2/1/2016	B	1502	11032858	5324199	not complied	12/10/2015	7/28/2016	completed	§ 27-2046.1, 2046.2 HMC: PROVIDE AN APPROVED AND OPERATIONAL CARBON MONOXIDE DETECTING DEVICE, INSTALLED IN ACCORDANCE WITH APPLICABLE LAW AND RULES. IN THE ENTIRE APARTMENT LOCATED AT APT F3, 6th STORY, 6th APARTMENT FROM WEST AT NORTH
F3	12/14/2015	2/1/2016	B	702	11032861	5324199	not complied	12/10/2015	7/28/2016	completed	§ 27-2045 ADM CODE REPAIR OR REPLACE THE SMOKE DETECTOR MISSING IN THE ENTIRE APARTMENT LOCATED AT APT F3, 6th STORY, 6th APARTMENT FROM WEST AT NORTH
F9	3/15/2010	5/3/2010	B	568	8325116	3889309	no access: 1st attempt	3/13/2010	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of roaches in the entire apartment located at apt f9, 6th story, 3rd apartment from east at south
F9	11/18/2011	1/6/2012	B	569	9208389	4299505	no access: 1st attempt	11/16/2011	8/4/2016	completed	§ 27-2018 admin. code: abate the nuisance consisting of mice in the entire apartment located at apt f9, 6th story, 1st apartment from east at south

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APPENDIX 8
ENGINEERING CONSULTANT REPORT

Description of Property & Building Condition Report | 12-34 CROWN STREET

**Alnour Consulting Engineering, PC**

124 Senator Street
Brooklyn, NY 11220

Tel: (917) 379-9376
Fax: (516) 908-4506.

Mr. Isak Radoncic
The Pinnacle Group
110 Plaza
New York, NY

June 16, 2017

Re: 12 Crown St, Brooklyn, NY
Structural Stability Report

Dear Mr. Radoncic:

At your request, ACE visited the cellar of the above captioned property on June 16, 2017 to document condition of the concrete ceiling throughout the cellar. I was accompanied by you during this inspection.

This investigation is limited to visual observations of the building elements; there may be defects that were not readily accessible or not visible during this inspection, all recommendations or suggestions are provided as information only to the client; they are not to be misconstrued as formal specifications. Owner should retain services of contractor to perform probes to examine underlying slab construction and retain services of professional engineer to prepare a set of drawings to address all the structural deficiencies.

Existing concrete ceiling is supported between concrete encased steel beams spaced at 6'5" on center. The base concrete layer is level with the bottom flange of the steel beams which gives an appearance of flat ceiling. The makeup (construction) of the slab is unknown, however it is expected that floor slab above the cellar was made with base and top cinder concrete layers reinforced with welded wire mesh and intermediate layer made of loose fill.

The majority of cracks occurred at the vicinity of the plumbing pipe penetrations. The worst condition was observed at the center ceiling of the oil tank room where significant cracks and deflection were observed, it is recommended to shore the ceiling immediately to prevent further deterioration or collapse of the slab. Spalling concrete was observed underside the west side section of the ceiling at the boiler room, spalling occurred at the plumbing pipes penetration. Longitudinal cracks parallel to the slab direction (Perpendicular to existing supporting steel beams) were found on the east side of the ceiling.

In my professional opinion, cracks observed throughout the ceiling in the other rooms of the cellar (except for the oil tank room) including the hallway do not compromise the structural stability of the slab as they do extend between the steel beams parallel to the slab, and since the concrete ceiling is a one way slab system supported between adjoining steel beams, the cracks are not the results of structural failure instead they could be attributed to shrinkage or to other unknown occurrence. It is recommended however to investigate the cracks in order to provide adequate repair.

It is recommended to grout solid round plumbing penetrations or installation of fire stopping material at every penetration. To avoid disturbance to the occupants of the apartments directly above the cellar, one potential option to consider for the ceiling repair at the boiler room consists of installation of new steel framing underside the ceiling (permanent shoring), the new framing would be jacked up against the ceiling and welded to the bottom flange of existing steel beams. In case the work should be performed from the floor above, contractor should provide an overhead protection installed tight against the ceiling, the floor could then be removed and replaced with new concrete on metal deck.

Longitudinal cracks which extend in the perpendicular direction to the supporting steel beams should be widened and raked to the root of the crack after temporary shoring is installed. Install steel rebar epoxy grouted into concrete cross the crack. Seal each crack with repair mortar (Sika overhead mortar). Areas of ceiling with moderate spalling concrete should be scraped to the solid surface then patched with repair mortar; install stainless steel hooks into the concrete in the areas of ceiling with sever scaling.

Once you are ready to perform the repairs listed above, it is recommend that you retain services of a professional engineer or architect to perform necessary probes and provide a comprehensive set of drawings to address all the defects listed above, the drawings should be filed with NYC Department of building to obtain a construction permit before starting required repairs.

The anticipated cost for the repairs is estimated at 75k including shoring and debris removal. We expect the soft cost including preparation of engineering drawings, special inspections and filling with NYC DOB to be approximately 25k.

I trust you will find the contents of this report beneficial, and I thank you for the opportunity to be of service. Should you have any questions or require additional assistance from ACE in this matter, please feel free to contact me.

DISCLAIMER:

The scope of this survey is limited to assessing the condition of the structure visible to the observer. No material testing of the structural components was performed. Although we made extensive inspections, there may be defects that were not readily accessible, not visible to the observer at the time of this inspection.

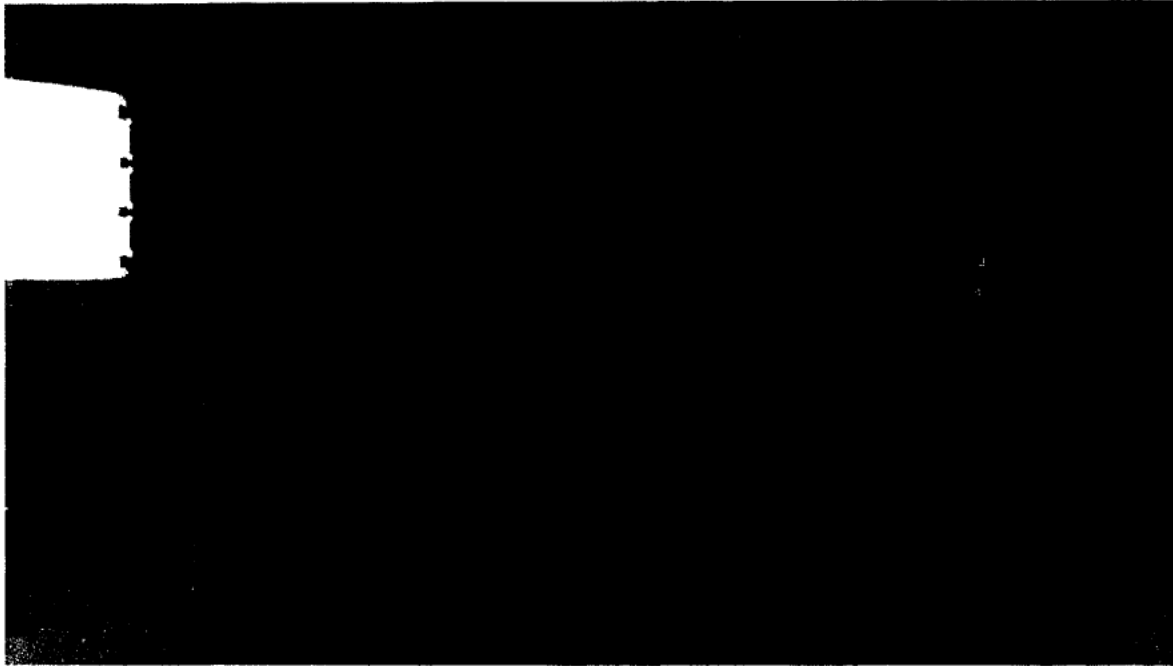


Sincerely,
Benabdelhak

Alnour Consulting Engineers, PC
Nouredine Benabdelhak, PE
Structural Engineer

NB:
Rpt:17166: Cor (1)

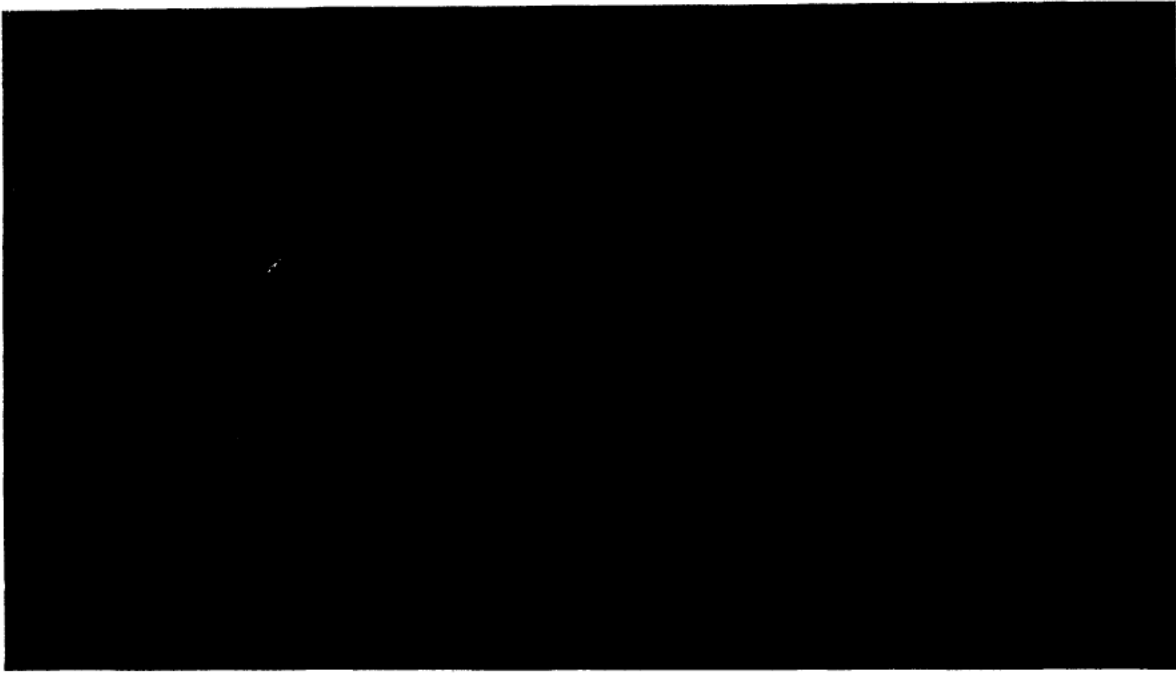
PHOTOGRAPHIC SUPPLEMENT TO ACE JUNE, 2017 REPORT



Hair line crack through concrete ceiling crack extends in the perpendicular direction to supporting steel beams (Boiler room)



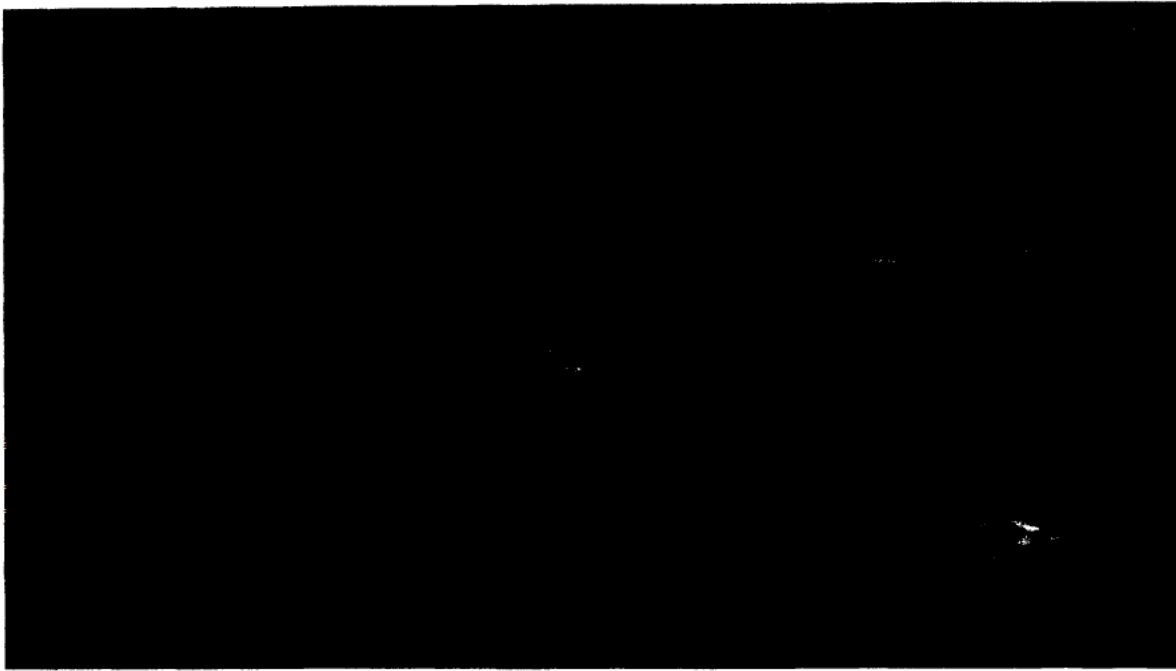
Open hole in the ceiling at the plumbing penetrations



Spalling concrete at the plumbing penetration through the slab in the boiler room



Patching mortar used in the past to seal the cracks in the ceiling



Cracks extend in the diagonal direction at the plumbing pipes penetration at the oil tank room



Hair line crack through the concrete hallway ceiling crack extends in the perpendicular direction to supporting steel beams (Boiler room)



APPENDIX 9

WINDOW WARRANTY

Description of Property & Building Condition Report | 12-34 CROWN STREET



Building Relationships™

31-10 WHITESTONE EXPRESSWAY
FLUSHING, NY 11354
Tel: (800) 472-9988 (718) 951-7300
Fax: (718) 460-4694
www.crystalwindows.com
E-mail: info@crystalwindows.com

20 Years of Building Relationships™

1990-2010

Real Quality Window Corp.
219 Havemeyer Street
Brooklyn, New York 11211

Re:

Crystal Window & Door Systems, Ltd. ("Crystal") warrants that the windows delivered under the above referenced orders are free from material and workmanship defects. Except as otherwise stated, this warranty commences from the date of issuance of the contractor's final payment. During this warranty term, Crystal, as manufacturer, agrees to repair or replace, in its sole discretion, for a term of two (2) years, window components that fail in material or workmanship. Such failures include: (1) structural failures; (2) water leakage; and (3) deterioration of metals or other materials beyond normal weathering. For a term of five (5) years, Crystal, as manufacturer, agrees to repair or replace, in its sole discretion, glass components that fail in material or workmanship. Such failures include: (1) in sealed glass units, (a) hermetic seal failure, (b) inter-pane dusting, or (c) inter-pane misting; and (2) failure of insulated tempered glass. For a term of two (2) years, Crystal, as manufacturer, agrees to repair or replace, in its sole discretion, fixed or moving hardware components against failure or premature deterioration beyond normal wear and tear. For a term of two (2) years, Crystal, as manufacturer, agrees to repair or replace, in its sole discretion, standard paint finishes which crack, peel, flake, or blister beyond normal weathering. Crystal's only obligation during the warranty term will be to provide, at no cost to the owner, the replacement part(s) for the products warranted hereunder during applicable warranty periods.

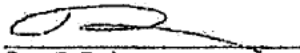
THE FOREGOING WARRANTY IS EXCLUSIVE AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS AND/OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. CRYSTAL MAKES NO OTHER WARRANTY EXCEPT AS STATED IN THIS LIMITED WARRANTY. Crystal shall have no liability or responsibility to you or any other person or entity with respect to any liability, loss, or damage caused directly or indirectly by use or performance of the products or arising out of any breach of this limited express warranty, including but not limited to, any indirect, special, incidental or consequential damages, or other damages resulting from inconvenience, loss of time or property, or other damages arising out of the installation of, or reinstallation of products manufactured by Crystal. Crystal shall not have any liability or responsibility for damages in the event that this warranty is not applicable or applied.

Crystal's limited warranty does not cover products that exceed maximum tested dimensions, products with factory applied paint finishes, products with two-tone powder coat finishes, defects caused by accident, earthquakes, tornadoes, acts of god, acts of war, terrorism, rioting, improper installation, improper maintenance, vandalism, abuse or misuse of products, application of film to glass surface, glass breakage, glass scratches as defined in ASTM standard specifications for flat glass C1036-88, damage caused by airborne pollutants (such as acid rain or salt), screen breakage, modification to the products, operation outside the usage parameters, or the use of parts not manufactured, supplied or sold by Crystal. Crystal's limited warranty does not cover products that incorporate non-standard materials or components installed pursuant to the original purchaser's request. In addition, any device, accessory, or mechanical part not installed at our factory or added to a Crystal product after it leaves our factory may void our limited warranty. This warranty gives specific legal rights and the existence of other legal rights varies from state to state.

This warranty is given pursuant to contract documents, in recognition of retention of rights by the owner and successors in interest.

Crystal Window & Door Systems, Ltd.

By:


Ryan P. Burke
General Counsel

ADDENDUM

Job Location: 845 Gravesend Neck Road, Brooklyn NY 11223

12 Crown Street

Contractor: Real Quality Windows

Contract Date: 6/2/2014

Addendum Date: 8/2/14

3/25/15
3/25/15

Windows Sub-Sill

Install aluminum sub sill, same as provided sample. The sub sill shall be closed and sealed at both ends. The window shall be fully sealed inside the sub seal in such manner that will allow gravity water to flow from any part of the window into the sub seal and then without any obstruction to the provided weepholes.

The sub seal shall sit on and be attached to the top of the existing stone seal with caulking

Adjacent windows

Remove existing wood mullions between adjacent windows.
Adjacent windows shall be jointed with aluminum H Mullions

Capping

Aluminum capping shall be installed as per the attached detail

Snap Trim

Aluminum snap trims shall be installed at the interior sides of windows

Existing Lintel Painting

Scrape rust and loose paint from existing steel lintels and apply one coat of Rustolium oil base paint/primer

Color shall match existing unless requested otherwise

Sample Window

Install sample window for owners approval prior the order and fabrication of windows.

This contract will be subject to the owner's approval of the sample

Contractors Warranty

Contractor's warranty shall be as follows:

Real Windows shall provide 2 years full warranty

Manufactures' Warranty

The Manufacturer shall provide full 10 Years structural warranty

Get the attached warranty for additional information

Window test report.

All windows are subject to the attached test report by Architectural Testing Report No 79425.01-109-44 dated 1/17/2008

Titled as follows:

AAMA/WDMA/101/LS2/A440-05

Test Report

Rendered to: Crystal Window & Door Systems, LTD

Series/Model: 2000A

Product Type: Aluminum Double Hung Windows

The contractor hereby certifies that windows and glazing being installed are subject to the NYC Building code and are designed to withstand the appropriate wind and earthquake loads, and to be leaks proof.

Caulking & Specifications

Caulking Sonolastic NE-1 shall be used in strict compliance with attached or any other related manufactures Specifications

1. SURFACE PREPARATION:

- A. The joint and adjacent substrate must be clean, sound, dry and free of frost. Remove all traces of the old sealant, dust, grease, curing compounds, waxes, Impregnations, foreign particles, efflorescence, and other bond inhibiting contaminants from the surface.
- B. Prime the prepared substrate if field-testing indicates a need.
- C. If necessary, install closed cell backer rod at the appropriate depth to allow the sealant to be placed at the proper width to depth ratio recommended by the sealant manufacturer. For shallow joints use the appropriate size bond breaker tape instead of backer rod.

2. INSTALLATION:

- A. Install the appropriate sealant into the joint with the proper caulking gun by placing the nozzle of the gun into the bottom of the joint and filling. Keep the tip of the nozzle in the sealant, continue on with a steady flow of sealant proceeding the nozzle to avoid air entrapment. Avoid overlapping the sealant.
- B. Tool as required to properly fill the joint.
- C. All products mentioned in this section must be applied in strict accordance with the manufacturer's instructions. Carefully observe mixing, application, limitations and cautions as stated in the manufacturer's technical data sheet.

3. FIELD QUALITY CONTROL:

- A. All work under this section shall be subject to detailed inspection. Any sealants or caulking found improperly installed or tooled, or any work otherwise defective or not in accordance with the specifications and details shall be taken out and replaced to the complete satisfaction of the Engineer or owner.

4. CLEANING AND PROTECTION:

- A. The applicator shall promptly remove all temporary coverings and protections of adjacent work areas and will clean these areas of all foreign materials resulting from their work.

Lien Waiver

Real Windows shall furnish waiver from the windows suppliers certifying full payment

Hold Harmless Agreement:

Real Quality Windows, hereby agrees to indemnify and hold harmless the owner and Treger Management LLC, from any and all claims resulting from work performed by the contractor on the owners behalf, in accordance with the contract between the two parties. Provided any such claims are not caused by the actions and/or negligence of the owner or by any other sub-contractor or anyone else engaged in any construction work at the project.

Insurance Requirements:

Commercial General Liability including Products/Completed Operations for limits not less than \$1,000,000 Each Occurrence/ \$2,000,000 General Aggregate/ \$2,000,000 Products/Completed Operations Aggregate; including Contractual Liability coverage and naming the following:

Treger Management LLC, One Penn Plaza, New York NY 10119 11201 &

Pinnacle Management, One Penn Plaza, New York NY 10119 as "Additional Insured" as respects all work done by the contractor on their behalf. The certificate

12 Realty Associates

12 Realty Associates

EXHIBIT 5

ASBESTOS REPORT

ASBESTOS STUDY



**12-34 Crown Street
BROOKLYN, NY**

ASBESTOS STUDY

PROPERTY ADDRESS: **12-34 Crown Street**
 BROOKLYN, NY

PREPARED FOR: **ATTORNEY GENERAL**
 120 BROADWAY
 NEW YORK, NY 10271

PREPARED BY: **SINGER ENVIRONMENTAL GROUP, LTD**
 5318 NEW UTRECHT AVENUE
 BROOKLYN, NY 11219

DATE: **October 19, 2016**

INTRODUCTION

Singer Environmental Group, Ltd. was formed to meet the needs of clients wishing to comply with Federal, State and City regulations regarding asbestos abatement requirements as well as the identification of hazardous or potentially toxic chemicals and substances.

SCOPE OF THIS ASBESTOS STUDY

To thoroughly inspect all areas and facilities in the basement areas, public areas, one commercial space (day care) and nine random/accessible apartments of the residential building located at 12-34 Crown Street in the borough of BROOKLYN, N.Y. including all mechanical equipment, boiler piping, duct work, insulation and other facilities to determine the presence of asbestos. If asbestos is detected, to determine quantity and condition (friable or stable) and to determine what action, if any, should be taken to conform with the latest requirements of the asbestos code. Additional recommendations are made as to whether or not removal, encapsulation or enclosure is required for each area and facility in which asbestos containing materials are presented.

No core samples were taken from any walls, ceilings, rough flooring, structural beams unless so noted with the Survey Findings section of this report. The assessment presented in this asbestos survey is based on the professional opinion of the Asbestos Inspector. Observations made herein and conclusions drawn are not to be considered a warranty or guarantee, and are based on inspection of those areas directly visible and observable, without the removal or alterations of an item or structure and reflect conditions seen on the day of inspection.

**12-34 Crown Street
BROOKLYN, N.Y.
Survey Findings
Page 1**

SURVEY FINDINGS

GENERAL

A visual inspection of the subject property took place on April 7, 2016, by Barrington Smith who was accompanied by the building super, [REDACTED].

The subject property consists of a six story plus basement building containing 1 commercial space (day care) and 84 residential units.

ASBESTOS CONTAINING MATERIALS

Asbestos is the generic name of a group of naturally occurring hydrated mineral silicates that are characterized by fibers or bundles of fine single crystal fibers. The New York City Department of Environmental Protection defines asbestos containing materials as "any material which contains more than one percent asbestos by weight." Asbestos materials were used for many years in a variety of insulating and thermal barrier properties. The durability of asbestos fibers and their small size and fibrous shape make asbestos an unusual environmental contaminant. Water infiltration's, contact during routine maintenance and age are major factors breaking down asbestos containing materials and creating exposure problems.

No visible and/or friable ACM was observed during this inspection.

**12-34 Crown Street
BROOKLYN, N.Y.
Survey Findings
Page 2**

Rooms/areas/facilities in the basement areas, public areas, one commercial space (day care) and nine random/accessible apartments were inspected as part of this asbestos survey.

Basement

Boiler room, compactor/sprinkler control room,
oil tank room, maintenance shop, elevator motor room,
slop room, garage room, hallways, water tank/gas meter,
day care, former apartment, side storage rooms - No visible and/or friable ACM.

12-34 Crown Street
BROOKLYN, N.Y.
Survey Findings
Page 4

APARTMENTS

The following apartments were inspected to determine the extent of any friable, loose and/or visible ACM.

Apartments - A1, A2, F5, B8, C8, E9, F12, F14, E15.

The Apartments did not have any visible and/or friable ACM.

STAIRWAYS

The Stairways did not have any visible and/or friable ACM.

PUBLIC HALLWAYS

The Public Hallways did not have any visible and/or friable ACM.

ROOF

The Roof did not have any visible and/or friable ACM. (See "Summary of Findings, Recommendations" page 3).

12-34 Crown Street
BROOKLYN, N.Y.
Recommendations
Page 1

RECOMMENDATIONS

The following are recommendations based on the asbestos survey conducted at 12-34 Crown Street, BROOKLYN, NY.

On April 7, 2016, an asbestos survey of the basement areas, public areas, one commercial space (day care) and nine random/accessible apartments at the above-mentioned property was conducted for the determination and location of asbestos containing materials. The inspection covered various facilities on each of the aforementioned areas.

Within each of the rooms/areas/facilities inspected piping insulation (e.g. on hot and cold water supply piping, heat risers) was checked at exposed/accessible locations for possible asbestos content.

According to the Environmental Protection Agency and included in the publication EPA 560/5-85-024 "Guidance for Controlling Asbestos Containing Materials (ACM) in Buildings", asbestos containing materials in buildings are found in three forms: (1) steel; (2) in insulation around hot and cold pipes, ducts, boilers, and tanks; and (3) in a non-friable state in products such as ceilings and floor tiles, wallboards and outside in material such as shingles and roofing materials. In general, ACM in the first two categories is of greatest concern, especially if it is friable, causing the material to release fibers into the air.

Asbestos containing materials are believed to be present on the roof in tars, felts and papers used in roof coatings. These materials were examined visually and found to be in stable, non friable, satisfactory condition.

In the event of any renovation/demolition/modification alteration of any area in the building, friable or non friable ACM, a more thorough inspection must be conducted prior to any commencement of work.

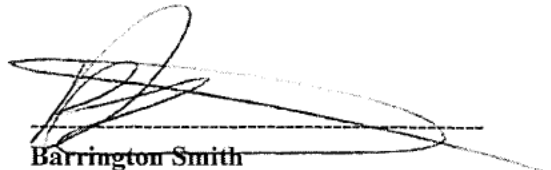
**CEILING AND FLOOR TILE WHICH MAY CONTAIN ASBESTOS ARE NOT
REQUIRED TO BE REMOVED DUE TO THEIR NON-FRIABLE STATE.**

12-34 Crown Street
BROOKLYN, N.Y.
Recommendations
Page 3

Singer Environmental Group, Ltd. has conducted this asbestos survey as an aid in determining the presence of asbestos containing materials. Conclusions drawn are not to be considered as a warranty or guarantee, and are based solely upon those areas directly visible and observable, without the removal or alterations as seen on the day of inspection.

Singer Environmental Group, Ltd., their principals and employees are indemnified for any future changes or conditions of deterioration in or on the subject property. Inasmuch as each has made no guarantees of the premises, expressed or implied in connection with this report, any liability which each may have shall be limited to the fee for the inspection of the property.

Respectfully Submitted by:

A handwritten signature in black ink, appearing to read 'Barrington Smith', is written over a horizontal dashed line.

Barrington Smith
NYS Certified Asbestos Inspector
#97-07920 Exp. 9/10/18
October 19, 2016

EXHIBIT 6

CONDOMINIUM DECLARATION AND BY-LAWS

DECLARATION

**Establishing a Plan for Condominium Ownership
of the Premises known as
12-34 Crown Street
Brooklyn, New York 11225**

**Pursuant to Article 9-B of the Real Property
Law of the State of New York**

Name:

The Crown12 Condominium

Declarant:

**12 Realty Associates LLC
One Penn Plaza, Suite 4000
New York, New York 10119**

Date of Declaration:

_____, 20__

**The land affected by the within instrument lies in
Section ____, Block 1190, formerly known as Lot 14
now known as Lots ____ - ____
on the Tax Map of the Borough of Brooklyn City of New York**

Attorneys for Declarant:

**Pryor Cashman LLP
7 Times Square
New York, New York 10036-6569
(212) 421-4100**

INDEX TO DECLARATION

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**DECLARATION
OF
THE CROWN12 CONDOMINIUM**

(Pursuant to Article 9-B of the Real Property Law
of the State of New York)

12 Realty Associates LLC, a New York limited liability company, having an office at One Penn Plaza, Suite 4000, New York, New York 10119 ("Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this Declaration (this "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto and made a part hereof or in the By-Laws, unless the context in which they are used requires otherwise.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "The Crown12 Condominium" (the "Condominium").

2.2 Annexed hereto and made a part hereof as Exhibit D are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (as the same may be amended from time to time, the "By-Laws").

ARTICLE 3

THE LAND

Included in the Property are all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the County of Kings, City and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land covers a lot of 238 feet 5 inches along Crown Street and 100 feet deep parallel to Franklin Avenue.

ARTICLE 4

THE PROPERTY

Included in the Property is the building located at 12-34 Crown Street, Brooklyn, New York 11225 (the "Building") consisting of 84 residential apartments (collectively, the "Residential Units" and individually, a "Residential Unit") and 1 commercial unit (the "Commercial Unit"). The Residential Units and the Commercial Unit are collectively referred to as "Units". The owner of a Residential Unit is herein called a "Residential Unit Owner" and the owners of the Residential Units are referred to, collectively, as

the “Residential Unit Owners.” The owner of the Commercial Unit is herein called the “Commercial Unit Owner”. The Residential Unit Owners and the Commercial Unit Owner are collectively referred to as “Unit Owners”.

ARTICLE 5

THE BUILDING

The Building is a 1922 NYC Building Code non-fireproof building having a cellar plus 6 stories above grade. The main entrance and lobby are on the first floor. The Building’s exterior walls are brick masonry and stucco walls. The primary front facade comprises primarily a blended red face brick in English bond with select headers. Steel lintels are found over punched window openings with brick row lock or metal sills. The floors in the Building are named (from bottom to top): Cellar Level and Floors 1 through 6.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) number of bedrooms and bathrooms, and balconies as applicable, (iv) approximate location in the Building; (v) approximate square foot area; and (vi) the percentage interest in the Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the “Floor Plans”) certified by Howard L. Zimmerman Architects, P.C., and intended to be approved by the Real Property Assessment Department of the City of New York and filed in the Kings County office of the Register of the City of New York (the “City Register’s Office”) following the recording of this Declaration.

6.2 (a) Each Residential Unit includes, and each Residential Unit Owner shall be responsible for, the front entrance door and any other entrance doors to such Residential Unit, windows (including glass), non-load-bearing interior walls and partitions including sheet rock, moldings, smoke and carbon monoxide detectors, all plumbing, gas and heating fixtures (including shower pans) and equipment such as heating, ventilating and air conditioning, including without limitation, any sleeve and/or window units (“HVAC”) servicing the Residential Units, if any (including the fans inside the Residential Units), heating equipment, ranges and other appliances, flooring and wall coverings, as may be affixed, attached or appurtenant to such Residential Unit and serving such Residential Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any pipes or equipment which a Residential Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors unless same have been replaced or installed by a Residential Unit Owner or a predecessor Residential Unit Owner (other than Declarant). Each Residential Unit shall also include, and the Residential Unit Owner shall be responsible for, (i) all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops and appliances and (ii) any fixtures, Facilities (as hereinafter defined) or special equipment affixed, attached or appurtenant to the Residential Unit, or betterments and improvements installed by a Residential Unit Owner or a predecessor Residential Unit Owner (other than Declarant), to the extent located within a Residential Unit and serving or benefiting only that Residential Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Residential Unit Owner will have the right, exercisable at any time, to install, at such Residential 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 Residential Unit Owner's Residential Unit and to a depth of 1 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 Residential Unit or of the Building. The Board may, at its sole discretion, impose reasonable conditions on interior alterations and decorations including, but not limited to, minimal insurance requirements and guidelines for contractors and workers employed, and may also inspect any such alterations to determine that they are of good quality and otherwise comply with the provisions of this Declaration and the By-Laws.

(b) The Commercial Unit is comprised of the commercial space, the structural systems within the Commercial Unit, the entrance doors, windows (including glass), all plumbing, gas and heating fixtures, equipment, appliances, heating, ventilating and air conditioning units (including the fans inside the Commercial Unit), sinks, water closets and all other Facilities as may be affixed, attached or appurtenant to the Commercial Unit and serving the Commercial Unit exclusively. The Commercial Unit Owner shall be responsible for the Commercial Unit side of the entrance door from the Building to the Commercial Unit, and any other entrance doors to the Commercial Unit, windows (including glass), the interior walls, partitions, floors and floor coverings and ceilings affixed, attached or appurtenant to the Commercial Unit, smoke detectors, window panes, plumbing, gas and heating fixtures. Equipment as used in the preceding sentence shall include gas and water pipes servicing and within the Commercial Unit, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which the Commercial Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors, unless it exclusively services the Commercial Unit. The Commercial Unit shall also include all lighting and electrical fixtures and appliances within the Commercial Unit and any special equipment, fixtures or Facilities affixed, attached or appurtenant to the Commercial Unit, to the extent located within the Commercial Unit from the panel and serving or benefiting only the Commercial Unit.

6.3 Any Common Elements or Residential Common Elements or Residential Limited Common Elements located within a Unit shall not be considered a part of such Unit.

6.4 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

DIMENSIONS OF UNITS

Each Unit will be measured on each of one or more floors from the midpoint of the exterior walls at the Building line and/or Property line to the midpoint of the interior walls and partitions separating one Unit from another Unit, or one Residential Unit from another Residential Unit or the midpoint of the interior walls and partitions separating a Residential Unit from public corridors, stairs, elevators (if any) and other mechanical equipment spaces or any Common Elements or Residential Common Elements, or separating the Commercial Unit from the public corridors, stairs, elevators (if any), and other mechanical equipment spaces or any Common Elements or any Residential Common Elements. Columns and mechanical pipes (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Units. Measured vertically, each Unit will consist of the volume from the top of the floor slab below (located under the finished flooring and sub-floor materials) to the underside of the floor slab above.

ARTICLE 8

COMMON ELEMENTS

8.1 (a) The Common Elements include, but are not limited to, the Land and all parts of the Building and improvements thereon other than the Units, Residential Common Elements or Residential Limited Common Elements, if any, and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities therein for the common use of the Units and the Unit Owners or which are necessary or convenient for the existence, maintenance or safety of the Property. The Common Elements are appurtenant to and serve and benefit each Unit to the extent of such Unit's percentage share of the Common Elements. The Common Elements are for the common use of all Unit Owners but do not include any air or development rights, the rights to which shall be retained by Declarant.

(b) The Residential Common Elements of the Condominium consist of those parts of the Building and improvements thereon, if any, that serve or benefit exclusively all of the Residential Units or the Residential Unit Owners, but not the Commercial Unit or the Commercial Unit Owner. The Residential Common Elements do not include any air or development rights, the rights to which shall be retained by Declarant.

(c) The Residential Limited Common Elements of the Condominium consist of those parts of the Building and improvements thereon, if any, that serve or benefit exclusively one or more but not all of the Residential Units or the Residential Unit Owners. The Residential Limited Common Elements do not include any air or development rights, the rights to which shall be retained by Declarant.

8.2 As used in this Declaration, the word "Facility" or "Facilities" means all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: any system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

8.3 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.4 Without intending to limit the generality of the foregoing in any respect, the Common Elements include:

(i) the Land (including the landscaping and sidewalks thereon or appurtenant thereto) and any improvements thereon, together with all easements, rights and privileges appurtenant thereto;

(ii) all foundations, columns, beams, joists, supports, piles, footings, pillars, girders, exterior walls, floor slabs, all interior walls, partitions, floor slabs and ceilings, on, or under the Building, separating a Unit from a Common Element, and that portion of all such interior walls, partitions, floors and ceilings separating a Common Element or a Commercial Unit from a Residential Unit, Residential Common

Element or a Residential Limited Common Element, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Common Element or Commercial Unit, as the case may be, to the extent that the same are not expressly included as part of the Residential Common Elements or Residential Limited Common Elements pursuant to the terms of Paragraphs 8.5 or 8.6 below or a Unit pursuant to the terms of Article 6 hereof;

(iii) all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, drainage, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems, which service both the Residential Units and the Commercial Units and/or the Common Elements and/or the Residential Common Elements and/or the Residential Limited Common Elements (but not only the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements), to the extent that the same are not expressly included as Residential Common Elements or as Residential Limited Common Elements pursuant to the terms of Paragraph 8.5 or 8.6 hereof or a Unit pursuant to the terms of Article 6 hereof; and

(iv) all other parts of the Property, and all apparatus and installations now existing or hereafter constructed in the Building or on the Property, either existing for the common use of the Units or the Unit Owners or necessary for, or convenient to, the existence, maintenance, or safety of the Property.

8.5 The Residential Common Elements consist of those portions of the Building, as well as those Facilities therein, either currently or hereafter existing for the benefit of the Residential Units or of the Residential Unit Owners. Without intending to limit the generality of the foregoing in any respect, the Residential Common Elements include:

(i) all stairways, passenger (and service, if any) elevators and their respective bulkheads, shafts, pits and equipment rooms, residential hallways, window casements and frames, cellars, storage rooms, roofs and Facades;

(ii) workshop, security room, oil room, garbage room, compactor room and their respective shafts and equipment;

(iii) the residential lobby on the First Floor, service entrances, storage rooms, laundry room, boiler room, meter room, porter's room, if any, all of which are located on the Cellar Level of the Building;

(iv) all masonry walls, partitions, floors and ceilings in, on or under the Building, separating a Residential Unit from another Residential Unit or a Residential Common Element or Residential Limited Common Element and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Unit, Residential Common Element or Residential Limited Common Element from a Common Element or the Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element;

(v) any and all central and appurtenant installations and Facilities for services such as power, light, telephone, intercom, gas, sewer, plumbing, hot and cold water distribution, heat, garbage disposal, master and cable television and other mechanical and electrical systems which serve the Residential Units and/or the Residential Common Elements and/or the Residential Limited Common Elements only;

(vi) all interior portions of the Building on floors 1 through 6, and on the Cellar Level to the extent that the same are not expressly included as part of the Common Elements pursuant to the terms of Paragraph 8.4 hereof above or the Residential Limited Common Elements pursuant to the terms of Paragraph 8.6 hereof below or a Unit pursuant to the terms of Article 6 hereof; and

- (vii) the Superintendent's Apartment.

8.6 The Residential Limited Common Elements consist of all portions of the Land and Building (other than the Units) that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include the balconies, if any, and Storage Lockers.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 Except as set forth in Section 6.14 of the By-Laws and Section 9.2 hereof, a Residential Unit may be used only for residential purposes, unless otherwise permitted in writing by the Board, subject, however, to applicable Law. Residential Units may only be leased in accordance with the By-Laws and the Residential Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Residential Rules and Regulations to the contrary, Declarant may, without the permission of the Board, (1) grant permission for the use of any Unsold Residential Unit as a professional office or for any other purpose, provided such use is permitted by Law and does not violate the then existing certificate of occupancy for the Building or any other governmental regulations and (2) use any Unsold Residential Unit(s) owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Residential Units or Residential Unit(s) in other buildings, subject only to compliance with applicable Law.

9.3 Each Storage Locker shall be used only for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein. Declarant reserves the right to change the size and/or number of Storage Lockers for so long as Declarant hold storage Locker Licenses. Declarant reserves the right to add additional Storage Lockers within the Storage Room and/or Cellar Level prior to the fifth anniversary of the Closing of the first Unit Closing. The Board shall not charge Declarant any fees in connection with Declarant's exercise of its rights to add additional Storage Lockers.

Declarant may, without the consent of either the Condominium or the Unit Owners, use any unlicensed Storage Locker for any purpose, including but not limited to rental, provided such use is permitted by law.

- 9.4 The Commercial Unit may be used for any lawful purpose.

ARTICLE 10

CHANGES IN THE BUILDING

10.1 Except to the extent prohibited by Law, Declarant and/or its designee(s) shall have the right, without the vote or consent of the Board, other Residential Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Residential Units; (b) change the use (subject to Section 9.2 hereof) or layout of, or number of rooms in, any Unsold Residential Unit(s) from time to time; (c) change the size and or number of Unsold Residential Unit(s) by subdividing 1 or more Unsold Residential Units into 2 or more separate Residential Units, combining separate Unsold Residential Units (including those resulting from such subdivision or otherwise) into 1 or

more Residential Units, converting a Residential Unit or any portion thereof to a Common Element, converting a Residential Common Element or any portion thereof to a Common Element or Residential Limited Common Element, converting a Residential Limited Common Element to a Common Element or a Residential Common Element, altering the boundary walls between any Unsold Residential Units, or otherwise incorporating Residential Limited Common Elements or Common Elements or Residential Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Residential Unit) which exclusively benefit an Unsold Residential Unit into such Residential Unit; (d) designate any Residential Unit or a Common Element, Residential Common Element or Residential Limited Common Element as part of a newly created Residential Unit, Residential Limited Common Element or Residential Common Element or designate all or part of a Residential Unit as a newly created Common Element, Residential Common Element or Residential Limited Common Element; (e) if appropriate, reapportion among the Unsold Residential Units affected by such change in size, use, number or direct access pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements and Residential Common Elements; provided, however, that (i) the percentage interest in the Common Elements and Residential Common Elements of any other Residential Units (other than Unsold Residential Units) shall not be changed by reason thereof unless the owners of such Residential Units shall consent thereto; and (ii) Declarant and/or its designee(s), as the case may be, shall comply with all Laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board and all other Residential Unit Owners harmless from any liability arising therefrom, and (f) change the size and / or number of Storage Lockers.

10.1.1 The Board shall not unreasonably refuse to join in and/or sign the application for such permit or authorization and shall reasonably cooperate with the Declarant and/or its designee(s), without cost to the Board. The Board shall join in any such application which the Board is required to join in and/or sign under applicable requirements within 10 business days following its receipt of the Declarant's and/or its designee(s), request therefore. If the Board, within such 10 business day period, shall fail to join in and/or sign any such application, the Declarant and/or its designee(s) shall have the right to sign such application (in the form submitted to the Board) on behalf of the Board. The Board shall not be subject to any liability for the payment of any costs or expenses in connection with any such applications and the review and execution thereof and the Declarant and/or its designee(s) hereby indemnify and agree to defend and hold the Board harmless from any liability relating to the work or application, including fines and penalties, and against any and all such reasonable costs and expenses. Copies of all required permits and authorizations shall be delivered to the Board prior to the commencement of work by the Declarant and/or its designee(s).

10.1.2 The provisions of Article 10.1 hereof may not be added to, amended, modified or deleted without the prior written consent of Declarant and/or its designee(s). Notwithstanding the other provisions of Article 10.1 hereof, no reapportionment of the interests in the Common Elements or Residential Common Elements appurtenant to any Residential Unit shall be made unless there is first delivered to the Board a written certification stating that the percentage interests of the respective Residential Units in the Common Elements and Residential Common Elements, immediately after such reapportionment, will be 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 Residential Unit, the availability of Common Elements or Residential Common Elements for exclusive or shared use and the overall dimensions of the particular Residential Unit. The certification referred to in the preceding sentence shall be delivered by Declarant and/or its designee(s). Declarant or the owner of any Unsold Residential Unit will have the right, without the consent of any other Residential Unit Owner or the Board, to amend this Declaration and By-Laws to reflect the foregoing changes.

10.2 Except to the extent prohibited by Law, the Commercial Unit Owner shall have the right, without the consent or approval of the Board, the Residential Unit Owners or the Mortgage Representatives,

if any, to: (a) make alterations, additions, improvements or repairs, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon the Commercial Unit; (b) change the use (including but not limited to residential use) or layout of, or number of spaces or rooms in the Commercial Unit; (c) amend the Certificate of Occupancy for the Building as it relates to the Commercial Unit; (d) change the size of the Commercial Unit by (w) subdividing the Commercial Unit into 2 or more separate Commercial Units, (x) combining 2 or more separate Commercial Units resulting from such subdivision into 1 or more Commercial Units, (y) altering the boundary walls of 2 or more separate Commercial Units resulting from such subdivision or combination, or (z) otherwise; and (e) if appropriate, reapportion among the Commercial Units affected by such change in size or number pursuant to the preceding clauses their respective Common Interests; provided, however, that, with respect to any such alteration, addition, improvement or change in, to, of or upon the Commercial Unit (each of the foregoing or any combination thereof shall hereinafter be referred to as “Commercial Unit Owner Change”, when making a Commercial Unit Owner Change, the Commercial Unit Owner shall:

(a) not make any physical modification to any other Unit, and the Common Interest or interior dimensions of any other Unit shall not be changed by reason thereof, unless the owner of such other affected Unit shall consent thereto;

(b) comply with Law;

(c) agree to hold the Board and all other Unit Owners harmless from any liability arising therefrom; and

(d) such alteration, addition, improvement, repair or change shall not jeopardize the soundness or structural integrity of any part of the Building or the safety of any tenant or other persons at the Property.

10.2.1 In the event of the subdivision of the Commercial Unit into separate Commercial Units, the owner of each such newly created Commercial Unit shall have all the rights, privileges and benefits, and shall be subject to all the obligations of the original Commercial Unit Owner, as provided in this Declaration and the By-laws; provided, however, that all Commercial Unit Owners, including the owners of such newly created Commercial Units, shall collectively continue to be entitled to designate 2 members to the Board.

10.2.2 Prior to the commencement of a Commercial Unit Owner Change, the Commercial Unit Owner shall have procured and paid for, so far as the same may be required, all permits, certificates and authorizations required by any governmental authority or any officer, department, office, bureau, agency or instrumentality thereof now existing or hereafter created and having jurisdiction over the Property. The Board shall not unreasonably refuse to join in and/or sign the application for such permit or authorization and shall reasonably cooperate with the Commercial Unit Owner, without cost to the Board. The Board shall join in any such application which the Board is required to join in and/or sign under applicable requirements within 10 business days following its receipt of the Commercial Unit Owner's request therefore.

10.2.2.1 If the Board, within such 10 business day period, shall fail to join in and/or sign any such application, the Commercial Unit Owner shall have the right to sign such application (in the form submitted to the Board) on behalf of the Board. The Board shall not be subject to any liability for the payment of any costs or expenses in connection with any such applications and the review and execution thereof and the Commercial Unit Owner hereby indemnifies and agrees to defend and hold the Board harmless from any liability relating to the work or application, including fines and penalties, and against any and all such reasonable costs and expenses. Copies of all required permits and authorizations shall be delivered to the Board prior to the commencement of work by the Commercial Unit Owner.

10.2.2.2 The Commercial Unit Owner Change shall be made promptly (unavoidable delays excepted) and in a good and workmanlike manner and in compliance with all applicable permits, certificates and authorizations and building and zoning laws and with all other requirements.

10.2.2.3 No Commercial Unit Owner Change shall be undertaken until the Commercial Unit Owner shall have delivered to the Board insurance policies or certificates, naming the Board as an additional insured, issued by responsible insurers, bearing notations evidencing the payment of premiums.

10.2.2.4 The Commercial Unit Owner shall not make any Commercial Unit Owner Change which is a Material Commercial Unit Owner Change (as hereinafter defined) without having first obtained the Board's prior written approval thereof in each instance. So long as the Commercial Unit Owner complies with the provisions of this Article Ten, the Board's approval of any proposed Material Commercial Unit Owner Change shall not be unreasonably withheld, delayed or conditioned or charged for. As used herein, the term "Material Commercial Unit Owner Change" shall mean any Commercial Unit Owner Change which (i) affects the exterior of the Commercial Unit in any material manner or (ii) affects the structural elements of the Commercial Unit in any material manner, and in either case, such that it affects the structure of the Building.

10.2.2.5 The Commercial Unit Owner will promptly upon the completion of a Material Commercial Unit Owner Change deliver to the Board: (A) all required approvals and sign off therefore (executed by the building department or appropriate authority), and (B) "as-built" drawings of any Commercial Unit Owner Change performed or caused to be performed in the Commercial Unit.

10.2.2.6 In the event that any Commercial Unit Owner Change is an approved Material Commercial Unit Owner Change, then in addition to complying with the requirements of the preceding subparagraphs 10.2.2.1 through 10.2.2.6 hereof, the Commercial Unit Owner shall also comply with the following requirements:

(a) At least 30 days prior to the commencement of any work in connection with the proposed Commercial Unit Owner Change, the Commercial Unit Owner shall (i) notify the Board in writing of the nature of the Material Commercial Unit Owner Change and the estimated cost thereof, (ii) deliver to the Board complete plans and specification for the proposed Commercial Unit Owner Change which plans will be subject to the Board's consent, which consent will not be unreasonably withheld, delayed or conditioned, and (iii) deliver to the Board a certificate from the architect described in subparagraph 10.2.3.3 hereof, certifying that the proposed Material Commercial Unit Owner Change will not reduce the square footage of the Commercial Unit other than in a de minimis manner.

(b) At least 10 days before the commencement of such proposed Material Commercial Unit Owner Change, the Commercial Unit Owner shall deliver to the Board insurance policies or certificates of insurance, issued by responsible insurers reasonably satisfactory to the Board, bearing notations evidencing the payment of premiums or accompanied by other evidence reasonably satisfactory to the Board of such payments, for the following:

(i) Contractor's comprehensive general and automobile liability insurance, listing the Board as agent for Unit Owners, in an amount not less than \$5,000,000 for bodily injury and property damage;

(ii) Owner's protective insurance written under a comprehensive general liability policy or policies form, separate from the contractor's comprehensive general liability policy required by subparagraph (i) hereof, naming the Board and the

Commercial Unit Owner, as their respective interests may appear, in an amount not less than the amounts set forth herein for bodily injury and property damage;

(iii) Worker's compensation and disability benefits insurance covering all persons or entities employed in connection with the construction of the Commercial Unit Owner Change and with respect to whom death or bodily injury claims could be asserted against the Board;

(iv) Builder's risk insurance (fire, extended coverage, vandalism, malicious mischief, burglary and theft) written on a completed value (non-reporting) basis with limits of not less than \$5,000,000 naming any general contractor engaged by the Commercial Unit Owner, and also naming the Board, as agent for the Unit Owners and the Commercial Unit Owner, as their respective interests may appear. In addition, such insurance shall contain a waiver or subrogation against subcontractors;

(v) Insurance against damage to property adjacent to the Commercial Unit insuring against any damage to such property as a result of the Commercial Unit Owner Change, including without limitation, any excavation; and

(vi) Such other insurance in such amounts as may from time to time be reasonably required by the Board during the Commercial Unit Owner Change, against such other insurable hazards as are commonly insured against in connection with construction of improvements similar to the Commercial Unit Owner Change on premises similarly situated.

Each of the above listed insurance policies shall state that said policy is primary to that of the policies of the additional insureds.

10.2.2.7 Such Commercial Unit Owner Change shall be carried out under the supervision of a reputable licensed architect selected by the Commercial Unit Owner.

10.2.2.8 The Commercial Unit Owner shall pay to the Board the reasonable fees and expenses of any architect or engineer selected by the Board to review the plans and specifications and inspect the work on behalf of the Board. The Commercial Unit Owner acknowledges that any review or approval by the Board of any plans and/or specifications with respect to any Commercial Unit Owner Change is solely for the Board's benefit, and without any representation or warranty whatsoever to the Commercial Unit Owner with respect to the adequacy, correctness or efficiency thereof or otherwise. Neither the granting by the Board of its approval of any of the Commercial Unit Owner's plans and specifications, nor the Board's execution of any of the applications referred to herein, shall in any manner constitute or be deemed to constitute a judgment or acknowledgment by the Board as to their legality or compliance with requirements and/or governmental authorities and the Commercial Unit Owner shall hold the Board harmless against any such claims, costs or liability based upon any such signature including any fines, penalties or actually incurred reasonable attorneys' fees.

10.2.3 Notwithstanding the foregoing, however, the aggregate amounts of the Common Interest of all the Units shall always remain at 100%, and no reapportionment of the Common Interest appurtenant to the Commercial Unit(s) shall be made unless there is first delivered to the Board a written certification stating that the new Common Interest has been based upon the factors set forth in Article 12 hereof. The certification referred to in the preceding sentence shall be delivered, at the Commercial Unit Owner's election, by the Commercial Unit Owner(s), the Selling Agent, the Managing Agent or any other Person reasonably acceptable to the Board.

10.2.4 The provisions of Article 10.2 hereof may not be added to, amended, modified or deleted without the prior written consent of the Commercial Unit Owner. The Commercial Unit Owner will have the right, without the consent of any other Residential Unit Owner, the Board or the Mortgage Representatives to amend this Declaration and By-Laws to reflect the foregoing changes.

ARTICLE 11

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York has not been designated to receive service of process since all the principals of Declarant are residents of the State of New York.

ARTICLE 12

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

12.1 The Common Interest of each Unit in the Common Elements has been 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.

12.2 The allocation of Common Expenses shall be made in accordance with the Common Interest of the Residential Units in the Common Elements, except as otherwise provided in the By-Laws, the terms of which are incorporated herein by reference.

ARTICLE 13

ENCROACHMENTS

If (a) any portion of the Common Elements, Residential Common Elements or Residential Limited Common Elements encroaches upon any Unit or upon any other Common Element, Residential Common Element or Residential Limited Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements, Residential Common Elements or Residential Limited Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements, Residential Common Elements or Residential Limited Common Elements made by or with the consent (when required by the By-Laws) of the Board or made by Declarant and/or its designee(s) or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element, or Residential Common Element or any Residential Limited Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of any Unit or all or any portion of the Common Elements, Residential Common Elements or Residential Limited Common Elements, then, in any such event, a valid easement shall exist for such encroachment and for the maintenance of the same as long as the Building shall stand.

ARTICLE 14

NAME OF CONDOMINIUM

The Condominium and the Building shall be designated and known as "The Crown¹² Condominium." Declarant shall own and control all rights and interests, appurtenant to the name of the Condominium and/or the Building. Only Declarant shall have the right to change or assign the name of the

Condominium and/or the Building. In addition, Declarant shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Declarant as the sponsor of the condominium offering, together with such other information as Declarant determines in its sole discretion.

ARTICLE 15

EASEMENTS

15.1 Except as set forth in this Declaration, the By-Laws and the Residential Rules and Regulations, each Unit Owner will have, in common with all other Unit Owners, and each Unit will be subject to, an easement for the use of the Common Elements and Residential Common Elements and any Facilities located therein, including, but not limited to, such easement as will be necessary to maintain such Unit Owner's Unit and an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, steam and ventilation.

15.2 The Board, or its agent, to the extent permitted to act by the By-Laws for such purposes, will have a right of access to each Residential Unit (including any appurtenant Residential Limited Common Elements, if any located therein) to inspect the same, to remove violations therefrom and to maintain the Common Elements and Residential Common Elements contained therein or elsewhere in the Property. Each Residential Unit (including any appurtenant Residential Limited Common Elements, if any located therein) shall be subject to an easement in favor of all Unit Owners to use, maintain, repair, alter and replace all Common Elements or Residential Common Elements located in such Residential Unit or elsewhere on the Property which serve other Units. All easements and rights of access described in this Section may be exercised by the Board on behalf of all Unit Owners. The Board shall have an easement and a right of access to each Residential Unit, and to the Common Elements, Residential Common Elements and Residential Limited Common Elements contained therein, to inspect the same, to remove violations therefrom and to install, operate, maintain, repair, alter, rebuild, restore and replace any of the Common Elements or Residential Common Elements located in, over, under, through, adjacent to or upon the same, and each Residential Unit and the Common Elements or Residential Common Elements or Residential Limited Common Elements shall be subject to such easement and right of access. Such easements and rights of access shall be exercised by the Board, to the extent practicable, in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on reasonable prior notice based on the nature of the repair or replacement but in no event on less than 1 days' notice, except that no notice will be necessary in the case of an Emergency. Plans and specifications with respect to any such proposed work shall be submitted by the Unit Owner who has requested that the Board exercise any such easement or right of access, to the Unit Owner whose Unit is to be accessed and all work is to be prosecuted diligently to completion. Notwithstanding any other provision of this Declaration, the By-Laws or the Residential Rules and Regulations to the contrary, any alterations carried out in connection with the easements granted hereinabove shall be such that neither the configuration nor the usable area of the affected Unit shall be materially adversely affected.

15.3 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Building and for the use of any Common Element or Residential Common Element, including, but not limited to, an easement for emergency access through and over the fire stairs in the Building.

15.4 The Board shall have and each Residential Unit shall be subject to, an easement (a) to install, utilize, operate and maintain the Common Elements or Residential Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or Residential Common Elements elsewhere on the Property and (b) to maintain any encroachment on any Residential Unit or Residential

Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Common Elements or Residential Common Elements.

15.5 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements or Residential Common Elements.

15.6 Declarant and/or its designee(s) and the Commercial Unit Owner and their successors and assigns shall, to the extent permitted by Law, have an easement to erect, operate and maintain from time to time, one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each, a “Sign”) within the Property and on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit and/or the Commercial Unit and (ii) the operation of any business of Declarant, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Residential Unit and/or the Commercial Unit. Declarant and/or its designee(s) shall have an easement to utilize the Common Elements and Residential Common Elements of the Building in connection with its sales and leasing efforts relative to the Unsold Residential Units and/or the Commercial Unit. Declarant and/or its designee(s) will have an easement and the right to change the Facade and alter, replace, restore, renovate, remodel and reconstruct the existing Facade, provided that none of such work to the Facade materially weakens the structural soundness of the Building.

15.7 Declarant and/or its designee(s) shall have an easement to use the sidewalks surrounding portions of the Building for purposes permitted by Law.

15.8 Declarant and/or its designee(s) shall have the right to grant such additional electric, gas, telephone, internet, cable, television, steam, ventilation or other easements for utilities, communications, access or other easements and to construct any shafts, flues or install any air conditioning compressors or other equipment on the roof or relocate any easements in any portion of the Property, as Declarant and/or its designee(s) shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants and occupants of the Units, provided that such additional utilities or the relocation of existing utilities will not result in the imposition of any mechanic’s lien against any of the Units. Any company providing utilities or services and its employees and agents shall have the right of access to any Unit or the Common Elements, Residential Common Elements or Residential Limited Common Elements in furtherance of the aforementioned easements in order to install, operate, maintain and service same.

15.9 Declarant and/or its designee(s) and the Commercial Unit Owner and their assignees and licensees shall have, and the Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements shall be subject to, an easement, (a) to install, utilize, operate and maintain satellite dishes, antenna, telecommunications equipment and similar equipment on the roof and/or the Facade of the Building and elsewhere on the Common Elements, Residential Common Elements and Residential Limited Common Elements and the conduit and other Facilities relating thereto, and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Residential Unit, or Common Elements or Residential Common Elements or Residential Limited Common Elements or elsewhere on the Property resulting from the operation or maintenance thereof. Declarant or the Commercial Unit Owner and/or their designee(s) shall be entitled to assign, lease, license or otherwise transfer its rights with respect to the foregoing easements and the Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, the Commercial Unit Owner, their assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes, equipment or other facilities placed upon the roof and/or the Facade of the Building and elsewhere on the Common Elements, Residential Common Elements and/or Residential Limited Common Elements by Declarant or/its designee(s), the Commercial Unit Owner, their assignees, tenants, licensees or transferees shall be the

exclusive property of Declarant and/or its designee(s) or the Commercial Unit Owner, their assignees, tenants, licensees or transferees and neither the Condominium nor any Residential Unit Owner shall have any rights with respect thereto.

15.10 Any easements granted to Declarant and/or its designee(s), the Commercial Unit Owner and/or its designee(s), the Board, or any Residential Unit Owner or other party under this Declaration and the By-Laws may be exercised by such entity's employees, agents, contractors, suppliers, utility providers, service providers, customers, guests, invitees, licensees, servants, tenants, subtenants, members and visitors, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by Declarant, the Commercial Unit Owner, the Residential Unit Owner or the Board, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

15.11 The Commercial Unit Owner and its invitees, licensees, contractors, employees, agents and tenants shall have an easement, to the extent permitted by Law, for (i) ingress and egress through the Common Elements and Residential Common Elements or any portion of the Building servicing the Commercial Unit for the purpose of accessing the Commercial Unit, making repairs, additions or modifications to the Commercial Unit or for any other lawful purpose, and (ii) to erect, maintain, repair and replace, from time to time, 1 or more signs, of such size and content as the Commercial Unit Owner shall determine, on the Common Elements and Residential Common Elements (including on both interior and exterior walls of the Building) and on, about or adjacent to the Commercial Unit for the purpose of advertising the sale or lease of all or any portion of the Commercial Unit and the operation of any business of a tenant or occupant of all or any portion of the Commercial Unit. Additionally, the Commercial Unit Owner, and its employees, agents, guests, invitees, licensees and tenants shall each have an easement for so long as the Condominium shall remain in existence, to use the sidewalk(s) appurtenant to the Commercial Unit for any purposes permitted by Law.

15.12 Each Residential Unit Owner whose Residential Unit has 1 or more appurtenant Residential Limited Common Elements shall have an exclusive easement for the use thereof, subject to rights of access by the Board or Declarant for maintenance, repair and replacement and other uses. The Residential Units having such Residential Limited Common Elements are indicated on Exhibit B.

15.13 Subject to the terms of the By-Laws, the Commercial Unit Owner shall have an easement to install, operate, maintain, repair, alter, rebuild, restore and replace the Commercial Unit and any pipes, wires, ducts, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Commercial Unit located in, over, under, through or upon the Common Elements or Residential Common Elements or elsewhere on the Property; provided that access to the Common Elements or Residential Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Common Elements or Residential Common Elements or Residential Limited Common Elements and such other portions of the Property for their permitted purposes.

15.14 In addition to the specific easements set forth in this Article 15, the Property and every portion thereof shall be subject to all easements made with the City of New York or with any utility companies or other Persons in effect prior to the recording of this Declaration.

ARTICLE 16

POWER OF ATTORNEY TO THE BOARD

16.1 Each Residential Unit Owner shall grant to the persons who shall from time to time constitute the Board an irrevocable Power of Attorney, coupled with an interest (annexed hereto and made a part hereof as Exhibit E or otherwise in such form and content as the Board shall determine), following due authorization (if required) from the Residential Unit Owners (a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired, or to sublease any Residential Unit so leased on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units, including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate to comply with any Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals or any other public authority, applicable to the maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate.

16.2 Each Residential Unit Owner shall grant to the Declarant a Power of Attorney to amend this Declaration and to effectuate the rights granted to Declarant under this Declaration, the By-Laws and the Plan including the power to execute the Required Documentation.

ARTICLE 17

ACQUISITION OF RESIDENTIAL UNITS BY THE BOARD

17.1 If (a) any Residential Unit Owner surrenders such Residential Unit Owner's Residential Unit, together with (i) the undivided interest in the Common Elements and Residential Common Elements appurtenant thereto, (ii) the interest of such Residential Unit Owner in any other Residential Unit theretofore acquired by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Residential Unit Owner in any other assets of the Condominium (such interest in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Board, pursuant to Article 8 of the By-Laws, acquires or leases a Residential Unit together with the Appurtenant Interests, or (c) the Board purchases, at a foreclosure or other similar sale, a Residential Unit together with the Appurtenant Interests, then, in any such event, title to any such Residential Unit together with the Appurtenant Interests shall be held by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements and Residential Common Elements. The lease or sublease covering any Residential 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 Residential Unit Owners, in proportion to their respective interests in the Common Elements and Residential Common Elements.

17.2 The Board shall have the authority to purchase, on behalf of all Residential Unit Owners, a Residential Unit to be used as the residence of the Superintendent of the Building and, in such event, title to such Residential Unit, together with its Appurtenant Interests, shall be held by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners, in proportion to their respective interests in the Common Elements and Residential Common Elements.

ARTICLE 18

COVENANTS RUNNING WITH THE LAND

18.1 All provisions of this Declaration, the By-Laws and the Residential Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees and other occupants of Residential Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Residential Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Residential Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Residential Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

18.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Residential Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

18.3 If this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-

Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 19

AMENDMENTS OF DECLARATION

19.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or the Commercial Unit or any Unsold Residential Units, any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or the Commercial Unit or any Unsold Residential Units, no such amendment, modification, addition or deletion shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or the Commercial Unit or any Unsold Residential Units, any such amendment, modification, addition or deletion shall be executed by the Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact.

19.2 If the number of rooms in an Unsold Residential Unit is changed, or the use and/or number of Unsold Residential Units is changed (whether as a result of a subdivision or combination of Unsold Residential Units or alteration of boundary walls between Unsold Residential Units, or otherwise) and the appurtenant percentage interests of Residential Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant and/or its designee(s) causing such changes shall have the right to execute, or (upon its request) to require any other Residential Unit Owners or the Board to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration (together with such other documents as Declarant and/or its designee(s) causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Residential Unit or in the use, size and/or number of Unsold Residential Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Residential Units in the Common Elements resulting therefrom, all without the approval of the Board, the Residential Unit Owners or the Mortgage Representatives, if any. In addition, if any Residential Unit Owner other than Declarant and/or its designee(s) causing changes is given the right by the Board to make the changes described in this Section 19.2 with respect to such Residential Unit Owner's Residential Unit or Residential Units, all in accordance with Article 10 hereof, then such Residential Unit Owner shall have the right to require the Board to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Board) to reflect the changes made by the Residential Unit Owner, all without the approval of the Board, other Residential Unit Owners or the Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Residential Unit not subject to any change may be reapportioned without the written consent of the Owner of such Residential Unit.

19.3 The Commercial Unit Owner shall have the right, at its sole cost and expense and without the vote or consent of any other Unit Owners, the Board or the Mortgage Representatives (if any), to execute, acknowledge and record in the City Register's Office or elsewhere, if required by Law, one or more amendments to this Declaration (including, without limitation, to Exhibit B hereto), together with

such documents, plans and maps as the Commercial Unit Owner deems appropriate to effectuate the same to reflect any changes in the Commercial Unit and/or the reapportionment of the Common Interest of the Commercial Unit resulting therefrom made by the Commercial Unit Owner in accordance with the terms of Article 12 hereof; provided, however, that any such amendment shall not (1) change the Common Interest of any other Unit, (2) require a physical modification of any other Unit, or (3) adversely affect the priority or validity of the lien of any mortgage held by the holder of an Institutional Mortgage.

19.4 Any amendment to this Declaration may be executed: (i) if on behalf of Declarant pursuant to the terms of Article 19 hereof, by any duly authorized representative of Declarant, (ii) if on behalf of the Commercial Unit Owner pursuant to the terms of Article 19 hereof, by such Commercial Unit Owner, or (iii) if on behalf of the Unit Owners or by the Board, by any officer of the Condominium. If the amendment requires the approval of a specific percentage of Unit Owners pursuant to the terms of this Declaration or the By-Laws, then there shall be attached to such amendment an original executed Secretary's Certificate, certifying that the requisite number and percentage of Unit Owners approved the amendment at a duly constituted meeting or (when permitted in this Declaration or the By-Laws) in writing without a meeting, in which Certificate shall be described the number and percentage of Unit Owners so consenting and (if voted upon at a meeting) the date and time of the meeting.

19.5 Notwithstanding anything contained in the Condominium Documents to the contrary, but subject to any limitation imposed by the Condominium Act, no amendment to the Condominium Documents shall be effective in any respect against the Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s) if the same would (i) unreasonably interfere with the sale, lease or other disposition of either the Declarant's or the Commercial Unit Owner's respective Units, (ii) abridge, modify, suspend, eliminate or otherwise affect any right, power, easement, privilege or benefit granted to Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s), unless the Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s) shall consent to such amendment in writing, or (iii) impose any charge or fee against Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s), unless the Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s) shall consent to such amendment in writing.

19.6 The provisions of this Article 19 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s), to the extent such modification, amendment, addition or deletion may adversely affect the Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s), as the case may be. Notwithstanding the foregoing, Declarant may amend the Condominium Declaration to correct or supplement any mathematical mistakes, inconsistencies or scrivener errors.

ARTICLE 20

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent of the Mortgage Representatives (which consent shall not be unreasonably withheld or delayed), if any, (b) without the written consent of the Permitted Mortgagees representing at least 51% of the Common Interests of the Units which are subject to the Permitted Mortgages (which consent shall not be unreasonably withheld or delayed), and (c) without the written consent of the Commercial Unit Owner and the Declarant (until such time as Declarant and/or its designee(s) has conveyed title to all Residential Units, provided that in no event shall Declarant's consent

be required more than 5 years after the date fee title to a Residential Unit is first conveyed to a purchaser by Declarant and/or its designee(s) pursuant to the Plan). In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 21

WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

ARTICLE 22

CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 23

CERTAIN REFERENCES

23.1 A reference in this Declaration to any 1 gender, masculine, feminine or neuter, includes the other 2, and the singular includes the plural and vice versa, unless the context otherwise requires.

23.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

23.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 24

SEVERABILITY

Subject to the provisions of Sections 18.2 and 18.3 hereof, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law.

ARTICLE 25

COVENANT OF FURTHER ASSURANCES

25.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board or otherwise, shall, upon prior reasonable written request and at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

25.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails, within 10 days (or 60 days, where the other party is a Permitted Mortgagee) after written request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board is hereby authorized as attorney-in-fact for such Unit Owner, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party, as the case may be.

25.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails, within 10 days (or 60 days, where the other party is a Permitted Mortgagee) after written request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Board or other party is required to execute, acknowledge and deliver or take pursuant to this Declaration at the request of Declarant and/or its designee(s) or the Commercial Unit Owner, or (ii) to deliver a written notice to the Declarant and/or its designee(s) or Commercial Unit Owner as is applicable (with a copy to the Board) stating the reason why such Unit Owner, the Board or other Party refuses to execute, acknowledge or deliver such instrument or deliver such action, then Declarant and/or its designee(s) or the Commercial Unit Owner is hereby authorized, as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party, as the case may be.

25.4 Notwithstanding anything to the contrary set forth herein, to the maximum extent lawful, Declarant specifically disclaims all implied warranties of fitness for a particular purpose, merchantability and habitability, all warranties imposed by statute (except only those imposed by applicable law to the extent they cannot be disclaimed and to the extent they have not expired by their terms) and all other implied or express warranties of any kind or character. Without limiting the generality of the foregoing, Declarant hereby disclaims any and all express or implied warranties as to design, construction, view, sound and/or odor transmission, furnishing and equipping of the Condominium, the existence of molds, mildew, spores, fungi and/or other toxins within the Condominium, to the extent applicable and to the extent that same have not expired by their terms. Declarant has not given and the Board has not relied on or bargained for any such warranties. In no event will Declarant be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty or otherwise).

ARTICLE 26**SUCCESSORS AND ASSIGNS**

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s) as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s), and with the consent of Declarant and/or its designee(s), any transferee of some or all of the then Unsold Residential Units owned by Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s), as the case may be. Subject to the foregoing, the Commercial Unit Owner and the Declarant and/or their designee(s) shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 27**CONSENTS**

Whenever the consent, approval, satisfaction or permission of Declarant and/or its designee(s) is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant and/or its designee(s) no longer owns any Units.

ARTICLE 28**INCORPORATION BY REFERENCE**

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Residential Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Power of Attorney annexed hereto as Exhibit E and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the ____
day of _____, 20__

12 Realty Associates LLC

By: _____
Name: Joel Wiener
Title: Authorized Signatory

State of New York)
) ss.:
County of New York)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared Joel Wiener personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

Notary Public

EXHIBIT A**LEGAL DESCRIPTION**

The land upon which the Building containing the Units is situate is described as follows:

BEGINNING at a point on the southerly side of Crown Street distant 96 feet 4 inches easterly from the corner formed by the intersection of the southerly side of Crown Street with the easterly side of Washington Avenue;

RUNNING THENCE easterly along the southerly side of Crown Street 238 feet 5 inches;

THENCE southerly parallel with Franklin Avenue 100 feet;

THENCE westerly parallel with Crown Street 181 feet 3-3/4 inches;

THENCE northerly parallel with Washington Avenue 6 feet 4-1/8 inches;

THENCE westerly parallel with Crown Street 14 feet 5-3/8 inches to the easterly side of Lot 47 on Map of 64 Lots in the Ninth ward of the City of Brooklyn belonging to the late Mary Johnson and others, Brooklyn, June 1, 1873, filed in the office of the Register of the County of Kings on 7/3/1873 as Map No. 918; and

THENCE northerly in a straight line nearly parallel with Washington Avenue 102 feet 4-1/2 inches to the southerly side of Crown Street to the point or place of BEGINNING.

EXHIBIT B

EXHIBIT B TO THE CONDOMINIUM DECLARATION

TO BE COMPLETED PRIOR TO RECORDATION OF CONDOMINIUM DECLARATION

[illegible]

EXHIBIT C

DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

“Appurtenant Interest” refers to: (i) the undivided interest in the Common Elements and Residential Common Elements of a Residential Unit, (ii) the interest of such Residential Unit Owner in any other Residential Unit acquired by the Board or its designee, on behalf of all Residential Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Residential Unit Owner in any other assets of the Condominium, pursuant to the provisions of Section 339-x of the Condominium Act.

“Board” refers to the board of managers of the Condominium.

“Building” refers to the structure and improvements including cellar and above grade segments, known as 12-34 Crown Street, Brooklyn, New York 11225, in which the Units are located.

“By-Laws” refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D to the Declaration, as same may be amended from time to time.

“Cellar Level” refers to the cellar level of the Building.

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

“Commercial Unit” refers to the Commercial Unit designated in the Declaration and the Floor Plans.

“Commercial Unit Owner” refers to the owner of the Commercial Unit or any party designated in writing as a designee of Commercial Unit Owner.

“Common Charges” refers to assessments payable to the Condominium by the Unit Owners for the purpose of meeting the cost of Common Expenses, as more particularly described thereto in Section 6.1.1 of the By-Laws.

“Common Elements” refers to the Land and all parts of the Building, including its foundations, and supports, other than the Units, Residential Common Elements and the Residential Limited Common Elements, if any, as more particularly described in Article 8 of the Declaration.

“Common Expenses” refers to the costs and expenses (including, among other things, the costs and expenses incurred or projected and the payment of wages) in connection with the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements or Residential Common Elements, and certain other expenses common to all Residential Unit Owners, such as premiums for insurance covering the Building, Managing Agent fees and legal and accounting fees, which will be determined by the Board and as otherwise provided in the Declaration and By-Laws.

“Common Interest” refers to the proportionate undivided interest in the Common Elements appurtenant to each Unit, expressed as a numerical percentage, determined in accordance with the Declaration. The Common Interest attributable to each Unit is set forth on Exhibit B annexed to this Declaration.

“Condominium” refers to The Crown12 Condominium.

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

“Declarant” or “Declarant and its designee(s)” each refer to 12 Realty Associates LLC, a New York limited liability company, and its successors and assigns, any of the members of Declarant, any affiliate of Declarant, any affiliate of any members of Declarant, any officer or shareholder of a corporate member of Declarant, or any member of a limited liability company which is a member of Declarant or any party designated in writing as a designee of Declarant. An affiliate shall be deemed to be a person or an entity who or which owns more than 50% of the legal and beneficial interest of Declarant or of any member, a person or an entity with respect to which either Declarant or any member owns more than 50% of the legal and beneficial interest, or an entity as to which more than 50% of its legal and beneficial interest is owned by a person or an entity which owns more than 50% of the legal and beneficial interest of Declarant or of any member thereof.

“Declaration” refers to the instrument creating the Condominium, as the same may be amended from time to time.

“Emergency” refers to any situation where the applicable person, in its reasonable judgment, concludes that a particular action (including, without limitation, the expenditure of funds) is immediately necessary (i) to avoid material damage to all or any material portion of the Building or Property, (ii) to protect any person from harm, or (iii) to avoid the unforeseen and unforeseeable suspension of any necessary material service in or to the Building or the Property, the failure of which service would have a material and adverse effect on the Building or the Property.

“Facade” refers to the exterior facade of the Building including, without limitation, the exterior walls, window sills, cornices, parapets, doors and entranceways, and all other components (excluding the roof) of the exterior surface of the Building.

“Facility” or “Facilities” refers to all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: any system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, pit, flue, lock or other hardware, rack, screen, strainer, floor covering, drapery, shade or other window covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

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

“Floor Plans” refers to the floor plans of the Building, as the same may be amended from time to time, which are approved by the Real Property Assessment Department of the City of New York and filed with the City Register’s Office.

“HVAC” refers to heating, ventilating and air conditioning servicing the Residential Units.

“Initial Control Period” refers to the period ending the earlier of (i) the closing of title with Purchasers under this Plan to Residential Units having at least 50% of the Common Interests of all Units or (ii) 5 years after the First Closing.

“Institutional Mortgage” refers to any 1st mortgage covering a Residential Unit or Residential Units, the initial holder of which is (i) Declarant and/or its designee(s), (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust or mortgage trust, or (iii) a federal, state, municipal, teacher’s or union employee, welfare, pension or retirement fund or system.

“Land” refers to the parcel of land described in Exhibit A to the Declaration.

“Law” or “Laws” refers to laws and ordinances of any or all of the federal, state, city and county governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property or any Residential Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

“Licensee” refers to a person that has entered into a Storage Locker License.

“Maintenance” or “Maintain” refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration, addition, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

“Members of the Board” or “Board Members” refers to the members of the Board elected by the Residential Unit Owners or designated (or nominated and elected) by Declarant and the members of the Board designated by the Commercial Unit Owner.

“Non-Purchasing Tenant” has the meaning set forth in Section 352-eeee of the New York State General Business Law.

“Permitted Mortgage” refers to a mortgage permitted to be placed upon a Residential Unit or Residential Units pursuant to the provisions of the By-Laws.

“Permitted Mortgagee” refers to the holder of any Permitted Mortgage and shall include, without limitation, such banks and financial institutions as constitute the holders of the mortgages given by Declarant to acquire or improve the Property.

“Plan” refers to the offering plan for the establishment of condominium ownership, as filed with the Department of Law, as the same may be amended from time to time.

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

“Rent Laws” refers to (i) the New York City Rent Stabilization Law and the Code adopted pursuant thereto, (ii) the New York City Rent and Rehabilitation Law, (iii) the Rent and Eviction Regulations of the New York City Housing and Development Administration (rent control), (iv) New York State General

Business Law, Section 352-eeee, (v) the Rent Regulation Reform Act of 1993 and 1997, (vi) the Emergency Tenant Protection Act of 1974 and (vii) any codes, rules and regulations promulgated thereunder and any administrative and/or judicial determinations and/or interpretations thereof to the extent that any or all of the same shall apply to the Property, as the same may be amended from time to time.

“Required Documentation” refers to such applications, permits, certifications, affidavits, forms, agreements, acknowledgments or other documents as may be required to enable the Declarant to exercise its rights or obligations under the Plan or the Declaration and the By-Laws, including, without limitation, Declarant’s rights to undertake, perform and complete work to the Unsold Residential Units.

“Residential Common Elements” refers to those portions of the Building as well as the Facilities therein, existing for the exclusive common use of the Residential Units or the Residential Unit Owners and as more particularly described in Article 8.5 of the Declaration.

“Residential Common Expenses” refers to all costs and expenses to be incurred by the Residential Unit Owners pursuant to the Declaration and/or By-Laws in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition, or improvement to, the Residential Common Elements and/or the Residential Limited Common Elements.

“Residential Common Interest” refers to the undivided interest in the Residential Common Elements appurtenant to each Residential Unit, expressed as numerical percentage, determined in accordance with the Declaration.

“Residential Limited Common Elements” refers to those portions of the Building, if any, to which a particular Residential Unit Owner has exclusive access and use.

“Residential Members of the Board” or “Residential Board Members” refers to the members of the Board elected by the Residential Unit Owners or designated (or nominated and elected) by the Declarant and/or its designee(s).

“Residential Unit” refers to a Residential Unit designated in the Declaration and the Floor Plans, 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.”

“Residential Rules and Regulations” refers to the residential rules and regulations made in accordance with the By-Laws and attached thereto as Schedule A.

“Sign” refers to one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerals, antennas or the like within the Property and/or on the Property for the purposes of advertising (i) the sale or lease of any Unsold Residential Unit or the Commercial Unit and (ii) the operation of any business of Declarant, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Residential Unit and/or the Commercial Unit.

“Storage Locker” refers to any storage locker located in the Storage Room. A Storage Locker is a Residential Limited Common Element.

“Storage Locker License” or “Storage Locker License Agreement” refers to an agreement entitling the Licensee to use a Storage Locker.

“Storage Room” refers to an area located in the cellar of the Building containing (or that will contain) Storage Lockers. The Storage Room is a Residential Common Element.

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

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

“Unsold Residential Unit” refers to any Residential Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by Declarant and/or its designee(s) or Declarant’s Transferee; a Residential Unit that is acquired, individually or collectively, by a principal of Declarant and/or its designee(s) or a group of which Declarant and/or its designee(s) or 1 or more of the principals of any of them, is a member; or a Residential Unit that is acquired by the holder of a Permitted Mortgage made by Declarant and/or its designee(s) or the designee of a holder of such a Permitted Mortgage; or any Residential Unit for which there is a signed agreement with Declarant and/or its designee(s), but for which a closing has not yet occurred.

EXHIBIT D
TO THE DECLARATION OF CONDOMINIUM

BY-LAWS
OF
THE CROWN12 CONDOMINIUM
12-34 CROWN STREET
BROOKLYN, NEW YORK 11225

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BY-LAWS

ARTICLE 1.

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of The Crown12 Condominium (the "Condominium"). The Condominium covers the property (the "Property") consisting of a lot of 238 feet five inches along Crown Street and 100 feet deep parallel to Franklin Avenue (the "Land") which forms a part of Block 1190 of Section ____ on the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York, the building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (collectively, the "Building"), including, without limitation, the Commercial Unit, the Residential Units, Common Elements, Residential Common Elements and Residential Limited Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (as the same may be amended from time to time, the "Declaration") in the Kings County Office of the Register of the City of New York (the "City Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Residential Rules and Regulations (as hereinafter defined), as applicable. The acceptance of a deed of conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Residential Rules and Regulations and the Declaration are accepted, ratified and will be complied with.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place reasonably convenient thereto, as may be designated from time to time by the Board (as hereinafter defined).

ARTICLE 2.

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in Section 2.2 hereof, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Board"). From and after the first annual meeting of Unit Owners as provided in Section 3.1 hereof, the Board shall consist of 6 persons; 5 persons elected by the Residential Unit Owners ("Residential Board Members") and 1 person designated by the Commercial Unit Owner ("Commercial Board Member"), subject to Declarant's rights under Subsection 3.9.3 hereof. Notwithstanding the foregoing the Board shall govern the affairs of the Condominium which affect both the Residential Unit Owners and the Commercial Unit Owners; the affairs of the Condominium which only affect the Residential Unit Owners shall be governed by the Residential Board Members only and the affairs of the Condominium which only affect the Commercial Unit Owner shall be governed by the Commercial Board Member only. Notwithstanding anything to the contrary set

forth above, no Unit Owner may be elected to serve on the Board if the Board has perfected a lien against such Unit Owner's Unit, which lien has not been satisfied at the time of the election.

2.1.2 Each Residential Member of the Board, except for the first Board as provided in Section 2.4 hereof and except as otherwise provided herein, shall be elected at the annual meeting of Residential Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified.

2.1.3 There shall be no limit on the number of successive terms a Board member may serve.

2.1.4 Except for Board members nominated and elected or designated by Declarant and/or its designee(s) or the Commercial Unit Owner, (a) all members of the Board shall be either Residential Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies, fiduciaries or any other entities which own Residential Units, Permitted Mortgagees (as hereinafter defined), or family members of any of the foregoing. Other than Board members nominated and elected or designated by Declarant and/or its designee(s) or the Commercial Unit Owner, no Board member shall continue to serve after such member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage (a "Permitted Mortgage") of a Unit which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium, except such powers and duties which by Law, the Declaration or these By-Laws may not be delegated to the Board by the Unit Owners.

2.2.2 Subject to the provisions of Subsection 2.2.1 hereof and without limiting the generality thereof, the Board shall have all powers and duties expressly set forth elsewhere in the Declaration and these By-Laws and shall be entitled to make such determinations and take such actions and incur such liabilities as may be required to effectuate the Board's obligations under the Declaration and these By-Laws.

2.2.2.1 The Board shall be entitled to make determinations with respect to the following matters:

(a) Operating, caring, maintaining, repairing and replacing the Common Elements, Residential Common Elements and Residential Limited Common Elements in accordance with the Declaration and By-Laws.

(b) Determining the amount of Common Charges (as hereinafter defined).

(c) Employing and dismissing personnel in connection with the maintenance and operation of the Common Elements, Residential Common Elements and Residential Limited Common Elements.

(d) Adopting and amending the Residential Rules and Regulations.

(e) Making additions and improvements to, or alterations of, the Common Elements, Residential Common Elements or Residential Limited Common Elements.

(f) Making repairs and restorations of the Common Elements, Residential Common Elements or Residential Limited Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

(g) Enforcing obligations of Unit Owners.

(h) Levying fines against Residential Unit Owners for violations of the Residential Rules and Regulations as they pertain to the Residential Units, Common Elements, Residential Common Elements or Residential Limited Common Elements (any such fines shall constitute Common Charges payable by the Residential Unit Owner against which they are levied).

(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) as set forth in Section 6.2 hereof.

(k) Borrowing money on behalf of the Condominium, when required in connection with the operation and maintenance of the Common Elements, Residential Common Elements or Residential Limited Common Elements; provided, however, that (i) the consent of at least 66-2/3% in Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$200,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), (ii) the consent of the Declarant and/or its designee(s) shall be required for any borrowing made while Declarant and/or its designee(s) owns Unsold Residential Units to which are appurtenant 10% or more of the Common Interests, (iii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements, Residential Common Elements or Residential Limited Common Elements without consent of the owner of such Unit. If any sum borrowed by the Board pursuant to the authority contained in this subparagraph (k) is not repaid by the Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements and Residential Common Elements bears to the interest of all the Unit Owners in the Common Elements and Residential Common Elements, shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

(l) Organizing corporations to act as designees of the Board with respect to such matters as the Board may determine.

(m) Executing, acknowledging and delivering (i) any declaration or other instrument affecting the Property which the Board deems necessary or appropriate to comply with any Law 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 operation or maintenance of the Condominium or (ii) any consent, covenant, restriction, easement or declaration affecting the Property or any part thereof which the Board deems necessary or appropriate.

(n) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-

Laws whenever, in the Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

(o) Obtaining and reviewing insurance for the Property, pursuant to the provisions of Section 6.2 hereof.

(p) Leasing or purchasing an apartment for use as the residence of the Superintendent of the Building, in addition to the Superintendent's Apartment, either in the Building or elsewhere (in compliance with applicable Law), and amending, modifying, extending, renewing and otherwise dealing in any way with respect to any such apartment.

(q) Licensing or leasing the Common Elements or Residential Common Elements (other than Storage Lockers licensed or to be licensed by Declarant and/or its designee(s)).

(r) Purchasing, leasing and otherwise acquiring in the name of the Board or its designee, on behalf of all Residential Unit Owners, any Residential Units offered for sale or lease or surrendered by their owners to the Board.

(s) Purchasing Residential Units at foreclosure or other similar sales, in the name of the Board or its designee, on behalf of all Residential Unit Owners.

(t) Selling, leasing, subleasing, mortgaging and otherwise dealing with (but not voting the interests appurtenant to) Residential Units acquired by, and subleasing Residential Units leased by, the Board or its designee, on behalf of all Residential Unit Owners.

(u) Executing, acknowledging and delivering any documents or other instruments necessary to commence, pursue, compromise or settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units 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 Board in writing from and against all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

(v) Purchasing or leasing space, in the name of the Board, for the storage of personal property of Residential Unit Owners (other than the Storage Room and the Storage Lockers), and in connection therewith the promulgation of conditions, rules and regulations for the operation and supervision thereof.

(w) Imposition of move-in fees and charges, and transfer fees in connection with the sale or lease of a Residential Unit; provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant and/or its designee(s).

(x) Reviewing and approving requests for alterations, additions, improvements, renovations and repairs by Residential Unit Owners to their respective Residential Units and Residential Limited Common Elements, and the Common Elements and Residential Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs, excluding the Residential Units of the Declarant and/or its designee(s).

(y) To approve the amount and the means and methods of payment of, and collection of, the Common Charges and Special Assessments and any special fees and assessments from Licensees (other than Declarant and/or its designee(s)) pursuant to the Storage Locker License.

(z) To acquire in the name of the Board or its designee, corporate or otherwise, and on behalf of all Unit Owners, Storage Locker Licenses terminated or surrendered by the Licensee to the Condominium.

2.2.3 Any act with respect to a matter determinable by the Board and deemed necessary or desirable by the Board in connection therewith shall be done or performed by the Board or shall be done on its behalf and at its direction by the agents, employees or designees of the Board.

2.2.4 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) continues to own at least 25% in aggregate Common Interests in Residential Units, but in no event later than 5 years from the First Closing of a sale made under the Offering Plan, the Board may not, without Declarant's or such designee's prior written approval: (i) make any addition, alteration or improvement to the Common Elements, Residential Common Elements, Residential Limited Common Elements or to any Residential Unit; (ii) increase or decrease the number or change the kind of employees initially hired for the Condominium; (iii) enter into any service or maintenance contract for work not covered in the initial projected budget for the Condominium or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium; (v) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Residential Unit provided that Declarant's or its designee's written consent is not necessary to perform any function or take any action described in items (i) through (vi) 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: (i) comply with Laws, rules or regulations of any governmental authority having jurisdiction over the Condominium; (ii) remedy any notice of violation; or (iii) remedy any work order of the Condominium's insurer.

2.2.5 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant and/or its designee(s) shall continue to own at least 1 Unsold Residential Unit, the Board may not, without the consent of the Declarant and/or its designee(s), (i) reduce or eliminate any services provided to Non-Purchasing Tenants under the Rent Laws or their tenancies or as otherwise may be required by Law, in such a manner as may result in the reduction of the rents or use and occupancy sums paid by such Non-Purchasing Tenants, (ii) separately assess a Residential Unit Owner for fees for such services (unless such services are separately assessed at the time of the filing of this Declaration) or (iii) to the extent that services to Non-Purchasing Tenants are currently individually assessed for the provision of additional services, assess Residential Unit Owners for an amount greater than can be charged by the owner of the Residential Unit to the Non-Purchasing Tenants under the Rent Laws.

2.3 Managing Agent and Manager. The Board may employ a managing agent and/or a manager at a compensation established by the Board to perform such duties and services as the Board shall authorize. The Board may delegate to such managing agent or manager other powers granted to the Board by these By-Laws, except the powers set forth in Subsections 2.2.2.1(b), (d), (k), (l), (m), (n), (p), (s), (t) and (v) hereof. Notwithstanding anything to the contrary set forth above, all Residential Units occupied by Non-Purchasing Tenants will be managed by the same managing agent who manages all other Residential Units in the Building. Such managing agent will provide to Non-Purchasing Tenants all services and facilities required by Law on a non-discriminatory basis.

2.4 First Board. The Board shall initially consist of the 4 persons designated by Declarant and/or its designee(s) to initially comprise the Board. The Board members shall be deemed to have been "elected" as members of the Board for the purposes of these By-Laws. Within 1 year after the date of the First Residential Unit Closing, the Board will call for the 1st annual meeting of Residential Unit Owners for the purpose of electing a new Board in accordance with the provisions of Section 3.1 hereof and subject to the rights of the Commercial Unit Owner to designate 2 persons and the rights of the Declarant and/or its designee(s) to designate (or nominate and elect) certain members of the Board as more particularly described in Subsection 3.9.3 hereof, unless more than 50% of the Residential Units are sold, in which case the first annual meeting of Unit Owners will be called within 30 days after the sale of 50% of the Residential Units. The terms of each member of the Board shall expire annually.

2.5 Resignation and Removal. A Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3 hereof, a Board member elected by the Residential Unit Owners may be removed, with or without cause, by a majority vote of Residential Unit Owners present in person or by proxy at a regular or special meeting of Residential Unit Owners at which a quorum is present. The Residential Board Member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated (or nominated and elected) by Declarant and/or its designee(s) may only be removed by members other than Declarant and/or its designee(s) with cause and shall be replaced as described in Section 2.6 hereof. In addition, any member of the Board who is designated (or nominated and elected) as such by Declarant and/or its designee(s) may be removed by such designating or nominating and electing party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member. Any member of the Board who is designated as such by the Commercial Unit Owner and/or its designee(s) may only be removed by such designating party and such removal may occur at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 Vacancies. Subject to the provisions of Subsection 3.9.3 hereof, any vacancy on the Board by a Residential Board Member, for whatever reason, shall be filled by the members of the Board then in office, at a special meeting of the Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Board until the next annual meeting of the Residential Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Board created by the resignation, removal or any other cause which results in a Board member (i) designated (or nominated and elected) by Declarant and/or its designee(s) ceasing to be a member of the Board, Declarant and/or its designee(s), as the case may be, shall have the sole right to designate (or nominate or elect) a replacement for such member or (ii) designated by the Commercial Unit Owner and/or its designee(s) ceasing to be a member of the Board, Commercial Unit Owner and/or its designee(s), as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meeting of the Board. The first meeting of the Board following each annual meeting of the Residential Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Board. Regular meetings of the Board may be held at such time and place in the Borough of Brooklyn or the office of the Managing Agent as shall be determined from time to time by a majority of the members thereof. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least 5 business days prior to the day named for

such meeting. The notice shall specifically state if any matters to be discussed or determined will affect the Commercial Unit Owner.

2.9 Special Meetings of Board. Special meetings of the Board may be called by the President or Vice President of the Board by giving 5 business days' prior notice to each member of the Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place in the Borough of Brooklyn and purpose of the meeting. Special meetings of the Board shall be called in like manner and on like notice on the written request of at least 2 members of the Board. The notice shall specifically state if any matters to be discussed or determined will affect the Commercial Unit Owner.

2.10 Waiver of Notice. Board members may at any time waive, in writing, notice of the Board meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

2.11 Determinations by Board; Quorum.

2.11.1 Except as otherwise set forth in Section 2.6 and Subsection 2.11.3 hereof, all determinations by the Board shall be made at a meeting of the Board at which a quorum thereof is present. At the Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of the Board.

2.11.1.1 The vote of a majority of the members attending a duly constituted meeting of the Board at which a quorum is present shall decide all matters on behalf of the Board relating solely to the Common Elements, the Common Expenses, or all or a portion of both the Residential Units and the Commercial Unit.

2.11.1.2 The vote of a majority of those Residential Members attending a duly constituted meeting of the Board at which a quorum is present shall decide all matters on behalf of the Board relating solely to the Residential Common Expenses, the Residential Common Elements, the Residential Limited Common Elements or all or a portion of the Residential Units. The Commercial Board Member shall decide all matters on behalf of the Board relating solely to the Commercial Unit.

2.11.2 If there is less than a quorum present at the Board meeting, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.11.3 Members of the Board may participate in a meeting thereof by means of a conference telephone or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Board may be taken without a meeting if all members of the Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Board.

2.12 Compensation. No member of the Board shall receive any compensation for acting as such.

2.13 Liability of Board and Unit Owners.

2.13.1 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 the managing agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Board or by the managing agent or manager thereof may state that it is made by the Board, managing agent or manager only as agent for all Unit Owners or all Residential Unit Owners, as the case may be, that the Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and may also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium, shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners and, unless expressly stated to the contrary in such contract (as determined by the Board in its sole and absolute discretion), to the extent permitted by applicable Law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission; provided, however, that the Commercial Unit Owner shall have no liability with respect to any such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such Board member's 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 the Board members against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Board may contract or effect any transaction with a Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.13.2 No Board member shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit, any Common Element or any Residential Common Element or Residential Limited Common Element.

2.14 Fidelity Bonds. The Board shall obtain or ensure maintenance of fidelity bonds in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds shall constitute a Common Expense.

2.15 Committees. The Board may, subject to such limitations and exceptions as the Board may prescribe, appoint an Executive Committee and such other committees as the Board may deem appropriate, each to consist of as many members as the Board shall deem appropriate for the purpose of making such reports and studies as the Board deems appropriate. Any Executive Committee shall be required to consist of at least 1 member of the Board. For so long as Declarant and/or its designee(s) is entitled to designate (or has nominated and elected) 1 or more members to the Board, any committee appointed by the Board shall have at least 1 of its members appointed by Declarant and/or its designee(s).

2.16 Principal Offices of Board. The principal offices of the Board shall be located within the Property or at such other place reasonably convenient thereto as may be designated from time to time by the Board.

2.17 Status of Board. In addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act, the Board shall, to the extent permitted by applicable Law, be

deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of the Board pursuant to the provisions of Section 2.18 hereof, the provisions of this Section 2.17 shall no longer be applicable to the Board.

2.18 Incorporation of Board. To the extent and in the manner provided in the Condominium Act, the Board may, by action of the Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event the Board so incorporates, it shall have, to the extent permitted by applicable Law, the status conferred upon it under such statutes in addition to the status conferred upon the Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.19 Board as Agent of Unit Owners. In exercising their powers and performing their duties under the Declaration and these By-Laws, the Board shall act in good faith as, and shall be, the agent of the Unit Owners, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3.

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Unit Owners shall be held on a date which is no later than 1 year after the First Residential Unit Closing. Such meeting shall be held on not less than 10 days' nor more than 40 days' written notice. At such meeting, the incumbent Board shall resign and the Residential Unit Owners shall elect (in accordance with the provisions otherwise provided in these By-Laws) 5 members of the Board. Thereafter, annual meetings of Unit Owners shall be held within approximately 30 days of each anniversary of the first annual meeting. At such meetings, the Residential Board Members shall be elected and there shall also be transacted such other business as may properly come before such meetings.

3.2 Place of Meetings. Meetings of all or any Unit Owners shall be held at the principal office of the Condominium or at such other suitable and convenient place, as may be designated by the Board.

3.3 Special Meetings. The President of the Board shall call a special meeting of the Unit Owners upon a petition signed and presented to the Secretary of the Board by not less than 25% in Common Interest of Unit Owners (excluding the Common Interest appurtenant to the Commercial Unit).

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the Secretary to all Unit Owners of record entitled to vote thereat. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, regular mail or recognized overnight courier, at least 10 but no more than 40 days prior to the date named for the meeting and shall be given or sent to the Unit Owners of record as of the date of the notice, at their address at the Property or at such other address as any Unit Owner has designated by notice in writing to the Secretary at least 10 days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least 30 days prior to the day fixed for such meeting, and such notice shall be

accompanied by a copy of the text of such proposed amendment. Only Unit Owners of record as of the date of a notice are entitled to vote at the meeting for which said notice is sent. The notice shall specifically state if any matters to be discussed or determined will affect the Commercial Unit Owner, including without limitation, any matters pertaining to the Common Elements.

3.5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

- (a) Call to order;
- (b) Roll call;
- (c) Proof of notice of meeting;
- (d) Reading of minutes of preceding meeting;
- (e) Reports of officers;
- (f) Reports of members of the Board;
- (g) Reports of committees;
- (h) Election of inspectors of election (when so required);
- (i) Election of members of the Board (when so required);
- (j) Unfinished business;
- (k) New business; and
- (l) Adjournment.

3.7 Title to Units. Title to Units may be taken by individual, corporation, partnership, association, trust or other entity, or any 2 or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Board and shall be revocable at any time by written notice to the Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of 6 months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Residential Unit owned in a fiduciary capacity. The Board shall not be entitled to vote the interest appurtenant to any Residential Unit owned by the Board and the Common Interest of such Residential Unit

shall be excluded from the total Common Interests when computing the interests of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, in all elections for the Residential Members of the Board, each Residential Unit Owner (or such Residential Unit Owner's proxy) entitled to vote (including Declarant and/or its designee(s) with respect to Residential Units owned by Declarant and/or its designee(s)) shall be entitled to cast the total of votes equal to: (i) one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Residential Unit Owner's Residential Unit, (ii) multiplied by the number of members to be elected to the Board; and to cast the votes represented by the product obtained by multiplying (i) by (ii) for a single member or distribute them among the number of members to be voted for, or any 2 or more of them, as he may see fit.

3.8.3 Notwithstanding anything to the contrary set forth above, Unit Owners may vote to amend the Declaration and these By-Laws pursuant to Article 19 of the Declaration and Article 12 hereof, without a meeting, provided that such Unit Owners receive no less than 30 days notification of such proposed amendment from the Board, together with a copy of the text of such proposed amendment and a proxy with respect to such vote.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Residential Board Members shall be determined by plurality vote.

3.9.2 When voting for Residential Board Members, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interest owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant and/or its designee(s) shall have the right to vote all of the Common Interests attributable to Unsold Residential Units owned by it until Declarant and/or its designee(s) has closed title to all of the Unsold Residential Units owned by it. Declarant and/or its designee(s) shall have the right to nominate and elect a majority of the Residential Board Members until the earlier to occur of (i) 5 years from the date of the First Residential Unit Closing or (ii) that date upon which the Unsold Residential Units constitute less than 50% of the Common Interests of the Condominium (the "Initial Control Period"). After the Initial Control Period, Declarant and/or its designee(s) shall have the right to designate 2 Residential Board Members for so long as Common Interests attributable to unsold Residential Units equal, in the aggregate, more than 15% of the Common Interests of all Residential Units; and for so long as Declarant and/or its designee(s) owns at least 1 Unsold Residential Unit, Declarant and/or its designee(s) shall have the right to designate at least 1 Residential Board Member. In addition to Declarant and/or its designee(s) designating the aforesaid Residential Board Members, the Declarant and/or its designee(s) may cast its votes for individuals nominated to the Board who are not nominated or designated by Declarant and/or its designee(s), which individuals, if elected, shall not be deemed Declarant's and/or its designee's nominees or designees and shall not be deemed to cause Declarant and/or its designee(s) to control the Board. For so long as Declarant and/or its designee(s) is entitled to designate at least 1 Residential Board Member, the number of members of the Board may not be increased without the consent of Declarant and/or its designee(s). Any vacancy created by removal of a Residential Board Member designated (or nominated and elected) by Declarant and/or its designee(s), or by any other cause which results in a Residential Board Member designated (or nominated and elected) by Declarant and/or its designee(s) ceasing to be a member of the Board, shall be filled by a person designated by Declarant and/or its designee(s). Within 30 days after the Initial Control Period, the members of the Board which were designated (or nominated and elected) by Declarant and/or its designee(s), to the extent such member(s) cause Declarant and/or its designee(s) to have a majority of the Residential Board Members, shall resign and the Board shall call a meeting of Residential Unit Owners,

to be held within such 30-day period, to elect a new Residential Board Member(s). After the expiration of the Initial Control Period, in the event a vote of the Members of the Board is held as to a matter which affects the Residential Unit Owners and the Commercial Unit Owners, the number of Declarant designee Members of the Board (whether Residential Members or Commercial Members) voting will not exceed the number of elected Board Members entitled to vote on said issue who are not Declarant designees.

3.10 Majority of Unit Owners. Except as may otherwise be provided by Law, as used in these By-Laws, the term "Majority of Unit Owners" means those Unit Owners, having more than 50% of the total votes cast (in person or by proxy) at any meeting at which a quorum is present of Unit Owners determined in accordance with the provisions of Section 3.8 hereof.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 50% of the Common Interests attributable to the Units shall constitute a quorum at all meetings of Unit Owners. Except as otherwise provided in these By-Laws, the presence, in person or by proxy, of Residential Unit Owners owning Residential Units to which 50% or more of the aggregate Residential Common Interests appertain shall constitute a quorum at all meetings of the Residential Unit Owners.

3.12 Majority Vote. Except where otherwise provided by Law, the Declaration or these By-Laws, at all meetings of Unit Owners the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes. Except as otherwise provided by Law, the Declaration or these By-Laws, at all meetings of Residential Unit Owners the affirmative vote of a Majority of Residential Unit Owners shall be binding upon all Residential Unit Owners for all purposes.

ARTICLE 4.

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Vice President, Secretary and Treasurer, all of whom shall be elected by the Board. The members of the Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in their judgment may be desirable. None of the officers of the Board need be Residential Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Board after the first annual meeting of Unit Owners. Thereafter, all officers of the Board must be Unit Owners unless such officer is a member of the Board designated (or nominated and elected) by Declarant and/or its designee(s) or the Commercial Unit Owner.

4.2 Election of Officers. The officers of the Board shall be elected annually by the members of the Board at the organizational meeting thereof and shall hold office at the pleasure of the Board until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice personally delivered or sent by registered or certified mail, return receipt requested, to the office of the Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board, any officer (other than an officer designated (or nominated or elected) by Declarant and/or its designee(s) or designated by the Commercial Unit Owner or its designee) may be removed for cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

4.4 President. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all meetings of Unit Owners and at all meetings of the Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time, as the President decides is appropriate to assist in the conduct of the affairs of the Condominium.

4.5 Vice President. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If both the President and the Vice President are unable to act, the Board shall appoint some member of the Board to act in the place of the President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Board or by the President.

4.6 Secretary. The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Board. The Secretary shall have charge of such books and papers as the Board requires and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurer. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Board (or in the name of the managing agent appointed by the Board) in such depositories as may from time to time be designated by the Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Board. However, any expenditure by the Board in excess of \$10,000.00 must be countersigned by 2 members of the Board. If for any reason whatsoever 1 member refuses to countersign such an expenditure which has been authorized, the Board shall designate and authorize another Board member to countersign the expenditure.

4.9 Compensation of Officers. No officer of the Condominium shall receive any compensation for acting as such.

ARTICLE 5.

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Board shall be personally delivered or sent by registered or certified mail, return receipt requested, to the office of the Board or to such other address as the Board may designate from time to time, by notice in writing to the Unit Owners and to all Permitted Mortgagees, as the case may be, and if there is a managing agent of the Board, a duplicate of any notice to the Board shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail, return receipt requested, to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board or the managing agent. All notices to Permitted Mortgagees shall be personally delivered or sent by

registered or certified mail, return receipt requested, to their respective addresses, as designated by them from time to time, in writing to the Board or the managing agent. All notices shall be deemed to have been given when personally delivered or mailed in postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6.

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, all costs and expenses attributable to the operation and maintenance of the Common Elements and the Residential Common Elements (collectively, "Common Expenses") shall be determined by the Board as set forth below. 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 or Residential Common Elements. The Board shall from time to time and at least annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners charges to meet Common Expenses ("Common Charges") pro rata in accordance with the aggregate respective Common Interests of the Unit Owners as set forth in the Declaration, except as otherwise provided in the Declaration or these By-Laws or to the extent a different method of allocation is described in Schedule B - Projected Budget for First Year of Condominium Operation, set forth in the Offering Plan. Such budget shall include such amounts for reserves as the Board deems appropriate. Common Charges shall also be deemed to include any special assessment imposed by the Board on Unit Owners. In addition to basing charges on Common Interests, the Board may also make allocations and assessments of 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 applicable provisions of Law; provided, however, that the foregoing shall be subject to the provisions of Subsection 6.1.5 hereof. All special assessments relative to the Residential Limited Common Elements shall be levied against all of the Unit Owners having an interest such Residential Limited Common Elements in proportion to their Common Interests except with respect to any Special Assessments relative to the Storage Locker Licenses which shall be levied only against the Licensees of such areas in equal shares relative to the number of such Licensees in such affected areas.

6.1.2 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any Common Element or Residential Common Elements remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Board as agent for and on behalf of the Unit Owners.

6.1.3 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.4 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing or providing management, maintenance and care of association property, and other than by a rebate of excess membership dues, fees or assessments) to the benefit of any Unit Owner or individual.

6.1.5 The Commercial Unit Owner shall not be required to pay, at any time during the existence of the Condominium, including during the First Year of Condominium Operation, any portion of any of the Common Expenses (including any special assessments) other than the portion expressly set forth in Schedule B - Projected Budget for the First Year of Condominium Operation, specifically, insurance, management fees and auditing fees. The Commercial Unit Owner will be responsible for the upkeep of the Commercial Unit. All utilities servicing the Commercial Unit are or will be separately metered to the Commercial Unit. The Commercial Unit Owner will not be liable for any repairs and/or maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements.

6.2 Insurance.

6.2.1 The Board shall be required to obtain and maintain, to the extent obtainable, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building, together with all service machinery contained therein and covering the interests of the Condominium and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to an agreed upon replacement cost of the Building (exclusive of foundation and footings and, at the election of the Board in its sole and absolute discretion, terrorism insurance), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss thereunder, if any, shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for 1 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 (if appropriate); (h) fidelity insurance covering the Board and all officers, directors, managing agents and employees of the Condominium; (i) directors and officers liability insurance; and (j) such other insurance as the Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by the Board. Insurance proceeds with respect to any loss shall be payable to the Board, except that the proceeds of all policies of physical damage insurance, if in excess of \$1,000,000, shall be payable to a New York City bank or trust company designated by the Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 11.5 hereof.

6.2.3 The fire, casualty and general liability insurance policy will be on terms that provide: (1) that each Unit Owner is an additional insured party; (2) that there will be no cancellation without notice to the Board; (3) a waiver of subrogation; (4) a waiver of any defense based on co-insurance; (5) a waiver of invalidity because of the acts of the insured and Unit Owners; and (6) a waiver of pro-rata reduction if Unit Owners obtain additional coverage and shall provide that such policies may not lapse, be canceled or substantially modified without at least 10 days' prior written notice to all of the insured, including all Unit Owners and Permitted Mortgagees and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, shall have provided written notice to the Board. The Board and all Unit Owners hereby waive their subrogation rights.

6.2.4 The Board shall also be required to obtain and maintain comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Board may from time to time determine, covering (i) the Board, the managing agent or manager, (ii) each Board member and each officer and employee of the Condominium and (iii) each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Residential Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Board shall review such limits once each year. The

insurance required in accordance with this Subsection 6.2.4 shall also cover cross-liability claims of 1 insured against another.

6.2.5 Any insurance maintained by the Board may provide for such deductible amounts as the Board determines.

6.2.6 The Board is not required to obtain or maintain any insurance with respect to a Unit a Limited Common Element or any personal property contained in a Unit or Limited Common Element. A Residential Unit Owner shall, at the Residential Unit Owner's own cost and expense, obtain and keep in full force and effect (a) 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 Residential Unit or any Residential Limited Common Element appurtenant thereto or any part thereof, with minimum combined single limits of liability of \$1,000,000 for bodily injury or death arising out of any 1 occurrence and \$1,000,000 for damage to property plus at least \$2,000,000 umbrella liability coverage and (b) tenant's "all-risk" property insurance in respect of property damage occurring in, upon or from the Residential Unit or any Residential Limited Common Element appurtenant thereto or part thereof (including, but not limited to, appropriate coverage for additions, alterations improvements and betterments and loss due to water damage as well as personal property). All policies shall provide that they cannot be cancelled without at least 30 days' prior written notice to the Board. The limits of liability and other requirements relative to each Residential Unit Owner's insurance coverage may be modified by the Board from time to time. Upon 10 days' written notice from the Board or the managing agent, the Residential Unit Owner shall deliver to the Board a duplicate original of the aforesaid policies or certificates evidencing such insurance or such other confirmation satisfactory to the Board. To the extent any party is insured for loss or damage to property, such party will look to their own insurance policies for recovery. In the event a Residential Unit Owner fails to obtain the requisite insurance or deliver evidence of same to the Board, as required, the Board may, in its sole and absolute discretion, (i) obtain such insurance on behalf of said defaulting Residential Unit Owner or (ii) impose such fines and penalties as the Board may determine in its sole discretion, including, without limitation, a per diem penalty for each day that the Residential Unit Owner does not provide evidence of coverage and in either event such sums shall, for all purposes, constitute Common Charges payable by such Residential Unit Owner.

6.2.7 The Commercial Unit Owner shall carry its own property and liability insurance policy at its own cost and expense. The Commercial Unit Owner shall:

(i) Maintain insurance on the Commercial Unit, including personal property, under an "All Risk" policy or its equivalent.

(ii) Provide and keep in force insurance against liability for bodily injury and death and property damage, all such insurance to be in such amounts as may from time to time be commercially reasonable. Such liability insurance shall be commercial general liability insurance, written on an occurrence basis with respect to the Commercial Unit and all operations related thereto, whether conducted on or off the Commercial Unit, and coverage shall include specifically the Commercial Unit, entrance and adjacent walkway. In any event:

(a) insurance against liability for injury and death shall be no less than \$10,000,000 per occurrence, with a deductible of not more than \$25,000; and

(b) boiler and machinery insurance, if any, shall be in an amount not less than \$100,000.

(iii) Keep in force Worker's Compensation insurance subject to statutory limits or better in respect of any work or other operations on or about the Commercial Unit.

(iv) Provide and keep in force such other insurance in such amounts as may from time to time be commercially reasonable against such other insurable hazards as at the time are commonly insured against in the case of premises similarly situated, due regard being given to the type of the improvements, its construction and its use and occupancy.

The Commercial Unit Owner and the Board shall cooperate in connection with the collection of any insurance moneys that may be due to the Commercial Unit Owner in the event of loss to the Commercial Unit. It is understood and agreed that said policies may be blanket policies covering other locations operated by Commercial Unit Owner or a tenant of Commercial Unit Owner, its affiliates or subsidiaries, provided that (i) such blanket policies otherwise comply with the provisions of this Article 6, and provided further that such policies shall provide for a reserved amount thereunder with respect to the Commercial Unit (which amount shall not be less than the amounts required to be carried by Commercial Unit Owner hereunder) so as to assure that the amount of insurance required by the provisions of this Article will be available notwithstanding any losses with respect to other property covered by such blanket policies.

All premiums on policies referred to in this Subsection 6.2.7 shall be paid by the Commercial Unit Owner. The originals of such policies or certificates evidencing such policies, together with evidence of the payment of premiums thereon, shall be delivered to the Board upon receipt from the insurance company or companies (and such originals may be delivered by the Commercial Unit Owner to the holder of a mortgage). New or renewal policies or certificates replacing any expiring policies shall be delivered to the Board at least 30 days before the date of expiration, together with proof that the full premiums have been paid.

All insurance policies required to be carried by Commercial Unit Owner hereunder and each certificate therefor issued by the insurer shall contain an agreement by the insurer that no cancellation, non-renewal or reduction in the coverages afforded under said policies will be effective until at least 30 days' prior written notice of such cancellation, non-renewal or reduction has been given to the Board.

The "All Risk" property insurance policy required to be maintained by the Commercial Unit Owner shall include a waiver of the insurer's right of subrogation against the Condominium (and all named Mortgagees).

6.3 Repair or Reconstruction after Fire or Other Casualty or Condemnation.

6.3.1 In the event that either (i) the Building or any part thereof (other than the Units) is damaged or destroyed by fire or other casualty (a "Casualty Loss") or (ii) the Common Elements or Residential Common Elements or any part thereof is taken in condemnation or by eminent domain (a "Taking"), the net insurance proceeds payable under the insurance policies maintained by the Board pursuant to the terms of Section 6.2 hereof by reason of such Casualty Loss, or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Board, if the same shall be \$1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed \$1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 6.3. Notwithstanding anything to the contrary contained in this Section 6.3, no Unit Owner whose Unit, its appurtenant Residential Limited Common Elements, if any, or any portion thereof is taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements or Residential Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he may have to pursue a separate claim against the condemning authority by reason thereof.

6.3.2 Except as otherwise provided in Subsection 6.3.3 hereof, the Board shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common

Elements or Residential Common Elements affected by such Taking. Damage or destruction to a Unit or a Residential Limited Common Element shall be promptly repaired and reconstructed by the Owner of the affected Unit(s) or Residential Limited Common Elements. If, pursuant to the immediately preceding sentence, Work is to be performed in or to Units, Common Elements or Residential Common Elements or Residential Limited Common Elements, that service or enclose Units and other Common Elements or Residential Common Elements or Residential Limited Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements or Residential Common Elements that service or enclose Units and then in or to the balance of the Common Elements or Residential Common Elements or Residential Limited Common Element. If a Residential Unit Owner fails to repair or reconstruct such Residential Unit Owner's Unit or Residential Limited Common Elements, the Board may cause the Residential Unit and/ or the Residential Limited Common Element to be repaired or reconstructed and the costs incurred in connection therewith shall be charged to the defaulting Residential Unit Owner as a special assessment.

6.3.3 In the event that Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof, the Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If the net insurance proceeds are less than sufficient to cover, or exceed, the cost of repairs and restoration, the Unit Owners, in proportion to their respective Common Interests, will bear the entire amount of the deficit as a Common Expense, or shall receive all the surplus, as the case may be. Any surplus payable to any Unit Owner pursuant to this Subsection 6.3.3 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order of priority of such liens.

6.3.4 If either 75% or more of the Building is destroyed or substantially damaged by fire or other casualty or 75% or more of the Common Elements are taken in a Taking, the Work shall not be performed unless 75% or more of all Unit Owners (including Declarant and/or its designee(s), if Declarant and/or its designee(s) shall then own any Residential Units), shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interests, to the extent allocated to destroyed or damaged portions of the Common Elements, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens. The Board agrees to provide a Permitted Mortgagee, and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, shall have provided written notice to the Board, prompt notice of any condemnation or casualty loss that affects either a material portion of the Building or the Unit securing its mortgage. Notwithstanding anything to the contrary herein set forth or in the Declaration, any action to terminate the legal status of the Condominium after substantial destruction or condemnation occurs or for other reasons shall require the written consent of the Permitted Mortgagees representing at least 51% of the common interests of the Residential Units which are subject to the Permitted Mortgages.

6.3.5 If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of Subsection 6.3.4 hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Residential Limited Common Elements, if any, prior to such Taking. The Board shall promptly prepare and record an amendment to the

Declaration reflecting the new Common Interest appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interests and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

6.3.6 As used in this Section 6.3, the terms:

(i) “Prompt repair or restoration” shall mean that the Work is to be commenced not more than the earlier of: (a) 60 days after the date upon which the Insurance Trustee notifies the Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, (b) 90 days after the date upon which the Insurance Trustee notifies the Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Board pursuant to the terms of Subsection 6.3.1 hereof, 60 days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) “Promptly resolve” shall mean that a resolution shall be duly made not more than 60 days after the date upon which the Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

6.3.7 Any dispute that may arise under this Section 6.3 between any Unit Owners shall be resolved by Arbitration.

6.4 Payment of Common Charges.

6.4.1 The Unit Owners shall be obligated to pay to the Board the Common Charges assessed to them pursuant to the provisions of Section 6.1 hereof at such time or times as the Board determines. No Unit Owner may be exempted from liability for such Unit Owner’s Common Charges by waiving use of any Common Elements or by abandonment of such Unit Owner’s Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property shall not be grounds for a Unit Owner withholding or failing to pay all or any portion of the Common Charges or any other assessments. Unless otherwise determined by the Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner’s Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages (which, at the time of such conveyance, shall not exceed the market value of the Unit being conveyed) and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Residential Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Board or its designee, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Common Charges thereafter accruing.

A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by Law, a purchaser of a Unit at a foreclosure sale by a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by Law, the Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

6.4.3 All liens provided for in Subsection 6.4.2 hereof, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding the provisions of Subsection 6.4.2 hereof, neither the seller nor the purchaser of a Unit shall be liable, 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 a written statement from the Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, the Board pays real estate taxes on behalf of the Unit Owners, the amount of such real estate taxes shall be deemed to be Common Charges, and the Board shall have a lien (as provided in Subsection 6.4.2 hereof) for any such accrued and unpaid amounts.

6.4.6 A Unit Owner other than Declarant and/or its designee(s), owning a Residential Unit occupied by a Non-Purchasing Tenant, must deposit with the managing agent at acquisition of title to the Residential Unit, an amount equal to not less than the greater of (i) 2 months' Common Charges or (ii) 2 months' rent to be used as working capital to furnish service and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL. Such Residential Unit Owner agrees that upon written notice by the then managing agent that such deposit has been diminished, the Residential Unit Owner shall replenish such fund within 30 days thereafter. In the event the Residential Unit Owner fails to so replenish such fund, the Board will have a lien against the Residential Unit Owner's Residential Unit in accordance with Subsection 6.4.2 hereof.

6.5 Collection of Common Charges. The Board or the Managing Agent shall take prompt action to collect any Common Charges due which remain unpaid for more than 30 days after the due date for payment thereof, including, without limitation, the institution of such actions and the recovery of interest and expenses as provided in this Article 6.

6.6 Default in Payment of Common Charges. In the event any Unit Owner fails to make payment of Common Charges by the 10th day of each month, such Unit Owner shall be obligated to pay a "late charge" equal to interest at the rate of 1.50% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Board or by the managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner.

6.7 Foreclosure of Liens for Unpaid Common Charges and Other Liens Held by the Board. In any action brought by the Board to foreclose a lien on a Residential Unit because of unpaid

Common Charges, or the failure of a Residential Unit Owner to replenish the Working Capital Fund after notice from the Board to do so, the Residential Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Residential Unit Owner's Residential Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Board, acting on behalf of all Residential Unit Owners, shall have the power to purchase any Residential Unit at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Residential Unit (but not to vote the votes appurtenant to such Residential Unit). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Residential Unit Owner's obligations, such Residential Unit Owner shall remain liable for the deficit.

6.8 Statement of Common Charges. The Board shall promptly provide any Unit Owner who so requests with a written statement of all unpaid Common Charges due to it from such Unit Owner (but not more often than twice in any 12-month period).

6.9 Maintenance and Repairs.

6.9.1 (a) Except as otherwise provided in the Declaration or these By-Laws, all maintenance in or to any Residential Unit (including, but not limited to, the interior walls, partitions, ceilings and floors in the Residential Unit, kitchen and bathroom fixtures and appliances, all entrance doors and their frames and saddles, windows (including glass), exposed plumbing, gas and heating fixtures and equipment, any air conditioning in the Residential Units, lighting and electrical fixtures and any Common Elements or Residential Common Elements incorporated therein pursuant to Subsection 6.15.5 hereof or any other section in these By-Laws, but excluding any other Common Elements or Residential Common Elements contained therein) and any Residential Limited Common Elements appurtenant to such Residential Unit, shall be made by the owner of such Residential Unit or Residential Limited Common Element at such Residential Unit Owner's sole cost and expense. Notwithstanding the foregoing, 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 Residential Unit Owner of such Residential Unit (unless such breakage is caused by the Board or the negligence of any other Residential Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Board or such Residential Unit Owner). No replacement, modification or alteration may be made to or of the windows (other than replacement of the window panes) without the consent of the Board.

(b) Except as otherwise provided in the Declaration or these By-Laws, all maintenance in or to the Commercial Unit (including, but not limited to, interior walls, partitions, ceilings and floors in the Commercial Unit, fixtures and appliances, if any, all entrance doors from the Building, the Commercial Unit doors, any frames and saddles, windows (including glass), exposed plumbing, gas and heating fixtures and equipment, any air conditioning, fans, lighting and electrical fixtures and any Common Elements incorporated therein pursuant to Section 6.12 hereof or any other section in these By-Laws, but excluding any other Common Elements contained therein) shall be made by the owner of the Commercial Unit at the Commercial Unit Owner's sole cost and expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1 hereof:

6.9.2.1 In the event that any maintenance to the Property or any part thereof is substantially necessitated by the negligence, misuse or neglect of any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, except

in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Residential Unit shall not be colored or painted and the windows may not be modified, altered or replaced without the consent of the Board. The Board may establish such other rules and regulations as it deems necessary to protect the Common Elements, Residential Common Elements, Residential Limited Common Elements and the Residential Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Residential Units, if so determined by the Board, shall be washed and cleaned by the Board and the cost and expense thereof shall be a Common Expense of the Residential Unit Owners. The interior glass surfaces of all windows located in any Residential Unit shall be washed and cleaned by the Residential Unit Owner or occupant thereof at such Unit Owner's sole cost and expense.

6.9.2.4 The exterior of all front doors of Residential Units shall not be painted or decorated other than with the consent of the Board.

6.9.2.5 No awnings, air conditioning equipment, ventilators or other Facilities or equipment will be installed or modified in the Residential Units (other than with respect to the Unsold Residential Units) without the prior written approval of the Board.

6.9.3 Each Residential Unit, Residential Limited Common Element and all portions of the Common Elements and Residential Common Elements shall be kept in good condition by the Residential Unit Owner or the Board, whichever is responsible for the maintenance thereof as set forth herein, and such Residential Unit Owner or the Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all maintenance in connection therewith. In addition, those areas exposed to public view shall be kept in good, clean and neat appearance, by each Residential Unit Owner with respect to the Residential Unit (including, all windows and shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Residential Unit must be white if visible from outside the Residential Unit).

6.9.4 The Board shall not be obligated to maintain any particular temperature and/or humidity in any Residential Unit.

6.10 Violations of Obligations.

6.10.1 In the event that any Residential Unit Owner, within a reasonable time after receipt of written notice from the Board, fails to perform any of its obligations with respect to the maintenance of its Residential Unit as provided in this Article 6 or of any Residential Limited Common Element for which a Residential Unit Owner is responsible under the Declaration or these By-Laws, the Board may, but shall not be obligated to, perform or cause to be performed such maintenance unless such Residential Unit Owner, within 30 days after receiving notice of such default from the Board (or sooner in the case of Emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such maintenance by the Board, together with interest thereon at the rate of 1.50% per month from the date on which the Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Residential Unit Owner to the Board and shall, for all purposes hereunder, constitute Common Charges payable by such Residential Unit Owner.

6.10.2 Each Residential Unit Owner must strictly comply with the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law.

6.11 Alterations, Additions, Improvements and Repairs of Units.

6.11.1 Except as otherwise provided in the Declaration, no Residential Unit Owner shall make any alteration, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit involving non-structural work or structural work or which impact upon Building systems, or a neighboring Unit, without the prior written approval of the Board. The Board shall have the obligation to respond to any written request by Residential Unit Owners for approval of a proposed non-structural or structural alteration, addition, improvement or repair in or to such Residential Unit Owner's Residential Unit within 60 days after such request is received, and the failure to do so within the stipulated time shall constitute the Board's consent to the proposed alteration, addition, improvement or repair. With respect to any alteration, addition, improvement or repair, the Board may exercise the right to reasonably approve the contractors and suppliers performing any alteration, addition, improvement or repair in any Residential Unit and may, at its option, require the Residential 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. In addition, the Board will have the right, as a condition to approving a Residential Unit Owner's request to renovate kitchens and bathrooms, to require such Residential Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Residential Unit or to contribute to the Condominium the sum necessary to enable the Condominium to perform such replacements. The Board may impose fees upon a Residential Unit Owner to reimburse the Board for its costs (and/or costs of its agents) incurred in reviewing or supervising the aforesaid work. The foregoing provisions shall not apply to Declarant and/or its designee(s) or a Permitted Mortgagee (or its designee) of Declarant and/or its assignee, which shall not be required to obtain the approval of the Board for any alteration, addition, improvement or repair, whether structural or non-structural in or to Unsold Residential Units or to enter into any alteration agreement with respect thereto or perform any additional work as a condition thereof or pay any costs in connection therewith.

6.11.1.1 Any walls or partitions contained in a Residential Unit which do not conform to the Floor Plans contained in Part II of the Offering Plan or with applicable law must be removed at the Residential Unit Owner's sole cost and expense in accordance with the provisions of Subsection 6.11.1 hereof. Any walls or partitions to be erected in a Residential Unit other than those shown on the Floor Plans contained in Part II of the Offering Plan must conform with the requirements of Subsection 6.11.1 hereof and the Residential Unit Owner must obtain a valid work permit and a certificate of completion from the New York City Department of Buildings for such partition or wall.

6.11.2 The Commercial Unit Owner shall have the right, pursuant to the terms of Article 10 of the Declaration, to (i) make any alterations, additions, improvements or repairs in or to the Commercial Unit, whether structural or non-structural, interior or exterior, ordinary or extraordinary, and (ii) subdivide, combine and change the boundary walls of the Commercial Unit, all without the approval of the Board. Notwithstanding the foregoing, the Commercial Unit Owner, prior to the making of any substantial alteration, addition, improvement or repair in or to the Commercial Unit, must (i) procure and maintain such insurance as the Board may reasonably require and (ii) indemnify the Board and the Managing Agent against any liability arising from the work.

6.11.3 All alterations, additions, improvements and repairs by Unit Owners shall be made in compliance with all Laws. A Residential Unit Owner (and his successors) making or causing to be made

any alteration, addition, improvement or repair shall agree, and shall be deemed to have agreed, to be liable for all future maintenance and the cost thereof relative to any such alteration, addition, improvement or repair and to hold the Board and all other Unit Owners harmless from any costs or liability arising therefrom.

6.11.4 Any application to any department of the City of New York or to any other governmental authority having jurisdiction thereof for a permit to make an alteration, addition, improvement or repair in or to any Residential Unit so approved by the Board (if such approval is required) shall, if required by Law or such department or authority, be executed by the Board, provided that the Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialman, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant and/or its designee(s) is hereby authorized on behalf of the Board to execute the Required Documentation as may be required to undertake, perform and complete such work to the Unsold Residential Units and Common Elements and Residential Common Elements as Declarant and/or its designee(s) is entitled to perform in accordance with the terms of the Declaration and these By-Laws (including, without limitation, any certificates as may be required to amend the existing certificate of occupancy to reflect a reconfiguration of the Residential Units and/or a change in use) and to obtain such certificates of completion as may then be required by Law and the Board, if requested by Declarant and/or its designee(s), shall execute the Required Documentation.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to (i) the Common Elements shall be made by the Board and the cost and expense thereof shall be charged to the Residential Unit Owners as a Common Expense, (ii) the Residential Common Elements shall be made by the Board and the cost and expense thereof shall be charged to the Residential Unit Owners as a Common Expense, (iii) a Residential Unit shall be made by the Residential Unit Owner thereof at the Residential Unit Owner's sole cost and expense, (iv) a Residential Limited Common Element shall be made by the Residential Unit Owner thereof at the Residential Unit Owner's sole cost and expense, and (v) the Commercial Unit shall be made by the Commercial Unit Owner at the Commercial Unit Owner's sole cost and expense.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (collectively, an "Alteration"), proposed to be made by Declarant and/or its designee(s) (collectively, the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Board, Mortgage Representative or Unit Owner (collectively, the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30 day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for maintaining and repairing such Alteration after its completion will not be charged to Unit Owners

represented by the Opposing Party as Common Expenses, (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party and (c) the proposed Alteration would not materially weaken the structure of the Building.

6.13.2 Nothing contained in Subsection 6.13.1 hereof shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Residential Units, each Residential Unit shall be used for residential purposes only; provided, however, that with the consent of the Board or Declarant, up to 25% of the usable floor space of any Residential Unit (but not to exceed 500 square feet) may be used for certain home occupation or professional office use, provided such use does not interfere with the use and enjoyment of other Residential Units by their respective Residential Unit Owners.

6.14.1.1 Notwithstanding anything to the contrary set forth above, the Board or the Declarant and/or its designee(s) (in connection with the conveyance of an Unsold Residential Unit) may, in their respective discretion, grant permission for the use of a Residential Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate any then existing certificate of occupancy for the Building, and (3) complies with all applicable governmental regulations. Such permission by the Board or the Declarant and/or its designee(s), as the case may be, shall be in writing and shall be personal to the Residential Unit Owner. Any successor in title to such Residential Unit shall be required to obtain the prior written approval of the Board or Declarant and/or its designee(s), as the case may be, before using such Residential Unit as a professional office or for any other purpose. No portion of a Residential Unit (other than the entire Residential Unit) may be sold, conveyed, leased or subleased, and no transient occupant may be accommodated therein.

6.14.1.2 Each Residential Unit Owner shall notify the managing agent in writing when a child or children under the age of 10 years lives or resides (even temporarily) in the Residential Unit. Each Residential Unit Owner shall install, at such Residential Unit Owner's expense, the required window guards in all windows of the Residential Unit. The Residential Unit Owner shall maintain all window guards installed in the Residential Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the managing agent. See the Section of the Plan entitled "Rights and Obligations of Residential Unit Owners and the Board of Managers" for further details.

6.14.1.3 The Commercial Unit may be used for any lawful purpose.

6.15 Use of Common Elements.

6.15.1 The Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 The Residential Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.3 Without the prior consent of the Board, no furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the Common Elements, Residential Common Elements or Residential Limited Common Elements, if any,

other than in any (a) Residential Limited Common Elements for the exclusive use of a particular Residential Unit Owner or (b) in areas designated as storage areas, if any, including without limitation the Storage Lockers. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them. Under no circumstances shall the entrances to the Commercial Unit be obstructed.

6.15.4 Residential Unit Owners shall require their tradesmen to utilize exclusively the elevator (if any) and entrance designated by the Board for transporting packages, merchandise or other objects.

6.15.5 The owner of any 2 or more Residential Units, which Residential Units are serviced or benefited by any Common Element or Residential Common Element adjacent or appurtenant to such Residential Units (or serviced or benefited by any Common Element or Residential Common Element adjacent or appurtenant to such Residential Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Board (which consent may be withheld in the absolute discretion of the Board), have the exclusive right of use of such Common Element or Residential Common Element as if it were a part of such Residential Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation and maintenance of such Common Element or Residential Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element or Residential Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Residential Units which are Unsold Residential Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Board. Notwithstanding the above, if an owner transfers or conveys its Residential Units to a successor owner, the transferor need not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.15.6 Each Storage Locker shall be used only for the storage of personal effects of the Residential Unit Owner, and in no event shall any food or other perishable item, or any flammable or explosive item, or any material which will pose a health or safety threat or which will result in the cancellation of insurance on the Building, or the contents thereof, or which would otherwise create a nuisance, be stored therein. Except for Declarant, no Storage Locker may be licensed independently of the ownership of a Residential Unit.

6.15.7 The Board has the authority to promulgate additional rules regarding the use of and access to the Storage Lockers and the procedures for assigning such Storage Lockers (other than Storage Lockers that have not yet been licensed by Declarant). A Residential Unit Owner may transfer or surrender the Storage License to the Board which shall be authorized to reissue such Storage Locker License to another Residential Unit Owner for such consideration as the Board shall deem appropriate.

6.15.8 Notwithstanding anything to the contrary contained in this Section 6.15, Declarant and/or its designee(s) may: (i) without the consent of either the Condominium or the Unit Owners, use any unlicensed Storage Locker for any purpose, provided such use is permitted by law, and (ii) the Board shall not charge Declarant and/or its designee(s) any fees in connection with Declarant's and/or its designee(s) exercise of its rights to add Storage Lockers.

6.16 Other Provisions as to Use. No nuisance shall be allowed in any Residential Unit, nor shall any use or practice be allowed in the Residential Unit, which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of any Residential Unit or any portion thereof. All Laws relating to any portion of the Property shall be complied

with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.17 Right of Access. Each Unit Owner shall grant a right of access to such Unit Owner's Unit, Residential Limited Common Elements and Storage Locker, if any, to the Declarant and/or its designee(s) for the completion of any work to be performed in the Building including but not limited to any punch list work in Residential Units, and to the Board, the Managing Agent, Superintendent and/or any other person authorized by the Declarant and/or its designee(s). In case of an Emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.18 Residential Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are residential rules and regulations (collectively, the "Residential Rules and Regulations") concerning the use of the Residential Units and the Common Elements and Residential Common Elements and Residential Limited Common Elements. The Board may from time to time, modify, amend or add to the Residential Rules and Regulations. In addition to the authority set forth in Section 6.15.7 above, the Board shall also have the authority to promulgate special rules and regulations concerning the use of a Storage Locker, if any, for the personal property of the Residential Unit Owners.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services shall be supplied to and for all of the Units and any Residential Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Residential Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. Until the Units are separately assessed for real estate tax purposes, the Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in the proportion that the Common Interest of each Unit bears to the Common Interests of all Units) to the Board as Common Charges, which will in turn pay such taxes to the proper authorities of the City of New York. In the event of a proposed sale of any Unit, the Board, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as the Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities.

6.20 Fuel. The cost and expense of fuel serving or benefiting the Building and the Residential Units will be borne by the Residential Unit Owners as a Common Charge.

6.21 Gas. Gas for the Residential Units (including without limitation, gas for hot water) will be supplied by the utility company servicing the gas distribution system in the Building. The Residential Units are separately metered for gas and the Residential Unit Owners will pay the cost of such directly to the utility. The Commercial Unit is or will be separately metered for gas and the Commercial Unit Owner will pay the cost of such directly to the utility.

6.22 Electricity. Electricity for each Unit shall be supplied by the utility company servicing the Units and metered or submetered for each Unit (or portion thereof). Each Residential Unit Owner shall be required to pay the bills for electricity consumed or used in such Residential Unit Owner's Residential Unit (or portion thereof) and any Residential Limited Common Elements to which such Residential Unit has exclusive access, directly to the utility company or as directed by the Board. The Commercial Unit is separately metered for electric and the Commercial Unit Owner will pay the cost of such directly to the utility.

6.23 Utilities Serving the Common Elements. Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any Common Element shall be (i) considered part of the expense of maintaining such Common Element, (ii) determined by the Board, and (iii) charged as a Common Expense. Electricity for the Common Elements and Residential Common Elements shall be supplied through one or more separate meters or submeters therefor and the cost thereof will be paid by the Board and will be borne by the Residential Unit Owners accordingly as Common Charges.

6.24 Abatement and Enjoinment of Violations by Residential Unit Owners.

6.24.1 The violation of any of the Residential Rules and Regulations or the breach of these By-Laws or the breach of any provision of the Declaration, shall give the Board the right, but not the obligation, in addition to such other rights set forth in these By-Laws, (i) to enter any Residential Unit or any Common Element, Residential Common Element or Residential Limited Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Residential Unit Owner, any structure, thing or condition resulting in such violation or breach and the Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Residential Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant and/or its designee(s) shall give to Declarant and/or its designee(s) the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7.

MORTGAGES

7.1 Notice to Board. A Unit Owner who mortgages such Unit Owner's Unit or the holder of any mortgage encumbering such Unit, shall notify the Board of the name and address of the mortgagee and shall file a conformed copy of the note and mortgage with the Board. For Residential Units, the mortgage shall be substantially in the form of the New York Board of Title Underwriters or such other forms customarily used by lenders making loans secured by individual condominium Units. Such Residential Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. A Unit Owner who satisfies a mortgage covering such Unit Owner's Unit shall so notify the Board and shall file a conformed copy of the satisfaction of mortgage with the Board. The Board shall maintain such information in a book entitled "Mortgages of Units." The provisions of this Article 7.1 shall not apply to Declarant and/or its designees.

7.2 Notice of Default and Unpaid Common Charges. The Board shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which may to the Board's knowledge then exist. The Board agrees to provide a Permitted Mortgagee, and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, has provided written notice to the Board, prompt notice of any 60 day delinquency in the payment of assessments or charges owed by any Unit Owner on which it holds a Permitted Mortgage. However, the Board shall have no liability for any failure, through oversight or negligence, in notifying a Permitted Mortgagee of any Unit Owner default under the Condominium's Declaration or By-Laws, provided that if the Board shall foreclose a lien on a Unit by reason of a default, the Board shall pay the

permitted Mortgagee of the Unit any net proceeds of any foreclosure sale of such Unit (after retaining all sums due and owing to the Condominium) or such lesser sum as shall be due and owing to such Permitted Mortgagee.

7.3 Performance by Permitted Mortgagees. The Board shall accept from any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Residential Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner and in such event and receipt by the Permitted Mortgagee of notice of any such default, the Permitted Mortgagee shall be entitled to an additional 10 day period after expiration of applicable notice and cure periods within which to cure any monetary default by a Unit Owner hereunder and an additional 30 days after expiration of applicable notice and cure periods within which to cure any non-monetary default by a Unit Owner hereunder; provided, however, that in the case of a non-monetary default that cannot, in the exercise of due diligence, be cured within such 30 day period, the Permitted Mortgagee shall have such time as is reasonably necessary to cure such non-monetary default (including any time reasonably necessary to obtain possession of the Unit(s) covered by such Permitted Mortgage if possession is necessary to enable such Permitted Mortgagee to cure or remedy such default or event of default), provided that such Permitted Mortgagee proceeds with all due diligence to cure or remedy such breach or default and/or obtain possession. In the event that more than 1 Permitted Mortgage is secured by a Unit, the senior Permitted Mortgagee shall be entitled to take all actions permitted under this Article unless all the Permitted Mortgagees otherwise designate a different Permitted Mortgagee to so act, by notice to the Board.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, and upon reasonable notice, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in Subsection 7.5.2 hereof, the holders of Institutional Mortgages (as hereinafter defined) may, at their election, designate 1 or more, but not more than 3, representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Institutional Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgage Representatives are so designated and notice thereof is given to the Board, the act of any such Representative (or a majority of such Representatives if more than 1 is so designated) shall be deemed binding upon the holders of all Institutional Mortgages.

7.5.2 Any designation of a Mortgage Representative made by the holders of Institutional Mortgages constituting a majority in principal amount of all Institutional Mortgages shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the Board. Unless otherwise required by Law, all Permitted Mortgagees other than holders of an Institutional Mortgage shall have no right to participate in the selection of Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.5.3 The Board agrees to provide a Permitted Mortgagee, and any guarantor of a Permitted Mortgage who the Unit Owner making such mortgage, or the holder of any mortgage encumbering such Unit, has provided written notice to the Board, prompt notice of any proposed action that requires the consent of the Mortgagee Representative.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination

or act of the Board, any officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgage.

ARTICLE 8.

SELLING, LEASING AND MORTGAGING OF RESIDENTIAL UNITS

8.1 Selling and Leasing. No Residential Unit Owner, other than Declarant (to whom the following shall not apply), may sell or lease such Residential Unit Owner's Residential Unit except by complying with the following provisions.

8.1.1 Any Residential Unit Owner who receives a bona fide offer to (a) purchase such Residential Unit Owner's Residential Unit together with its appurtenant Common Interest, or (b) lease such Residential Unit Owner's Residential Unit (such offer to purchase or lease a Residential Unit, as the case may be, an "Outside Offer," the party making any such Outside Offer, an "Outside Offeror" and the Residential Unit Owner to whom the Outside Offer is made, an "Offeree Residential Unit Owner"), which the Offeree Residential Unit Owner intends to accept, shall give notice by hand delivery or certified or registered mail, return receipt requested, to the Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as the Board may reasonably require. The giving of such notice to the Board shall constitute an offer by the Offeree Residential Unit Owner to sell such Residential Unit Owner's Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit Owner's Residential Unit to the Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Residential Unit Owner to the Board acting on behalf of all Residential Unit Owners that the Offeree Residential Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Residential Unit Owner shall submit in writing such further information with respect thereto as the Board may reasonably request. Not later than 30 days after receipt of such notice together with such information as may have been requested, the Board may elect, by sending written notice to such Offeree Residential Unit Owner before the expiration of said 30 day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be (or to cause the same to be purchased or leased by its designee, corporate or otherwise), on behalf of all Residential Unit Owners represented by the Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Residential Unit Owner.

8.1.2 In the event the Board shall timely elect to purchase a Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Board of its election to accept the aforesaid offer, the Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Board referred to in Subsection 8.1.1 hereof as the intended closing date or commencement date, as the case may

be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Residential Unit subject to the Offeree Residential Unit Owner's existing mortgage or mortgages, the Board may purchase the Residential Unit and assume or take title to the Residential Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Residential Unit Owner, if such Residential Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Board, or to its designee, corporate or otherwise, on behalf of all Residential Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Residential Unit Owner, who shall also pay all other taxes arising out of such sale (other than the "Mansion Tax," if any, which shall be paid by the Board). Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Residential Unit Owner and the Board, or its designee, corporate or otherwise, as of the closing date. In the event such Residential Unit is to be leased, the Offeree Residential Unit Owner shall execute and deliver to the Board, or to its designee, corporate or otherwise, a lease between the Offeree Residential Unit Owner, as landlord, and the Board, or its designee, corporate or otherwise, as tenant, covering such Residential Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Board or its designee shall fail to accept such offer within 30 days after receipt of notice, as aforesaid, the Offeree Residential Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Residential Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Residential Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Residential Unit Owner thereafter elect to sell such Residential Unit together with its appurtenant Common Interest or to lease such Residential Unit, as the case may be, the Offeree Residential Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Board, in its discretion, may waive the Offeree Residential Unit Owner's obligation to comply with either or both of the 60-day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

8.1.4 Any deed to an Outside Offeror shall be deemed to provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, these By-Laws and the Residential Rules and Regulations, as the same may be amended from time to time.

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Residential Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior written consent of the Board, that the tenant shall not assign such Residential Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior written consent of the Board and that the Board, if permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Board which governs the Residential Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Board. Any lease executed by the Board, as tenant, shall provide that the Board may enter into a sublease of the demised premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to the Commercial Unit or to Unsold Residential Units or Residential Units rented to or by Declarant and/or its designee(s). Declarant and/or its designee(s) shall have the right to freely sell their respective Unsold Residential Units, or to freely lease all or any part of the Unsold Residential Units, without having to first offer the same for sale or lease to the Board.

8.2 Sovereign Immunity. Notwithstanding anything to the contrary set forth above, before any Residential Unit is conveyed to a government or governmental mission, or to a department, agency or consulate of a government, or to any other party who or which may be entitled under applicable laws, conventions or treaties (including, without limitation, the United States Foreign Sovereign Immunities Act, as the same may be amended) to any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (or diplomatic or consular immunity, if applicable) (such grantee, a “Governmental Entity”), from any legal or equitable proceedings in the United States of America or elsewhere, the Board may require that the potential grantee enter into an agreement with the Board, on terms acceptable to the Board and its counsel, in which the potential grantee (i) agrees to a specified arrangement for service of process, (ii) expressly and irrevocably waives, to the full extent permitted by law (including, without limitation, the United States Foreign Sovereign Immunities Act, as same may be amended), with respect to the potential grantee, and with respect to any and all other intended occupants of the Residential Unit, any present or future claim to any immunity, whether characterized as sovereign immunity or otherwise (and diplomatic and consular immunity, if applicable) from any legal or equitable proceedings in the United States of America or elsewhere, brought by the Board or any other party claiming with respect to the Residential Unit (including without limitation, immunity from service of process, immunity from jurisdiction of any court or tribunal and immunity of any of that party’s property from attachment prior to entry of judgment and from attachment in aid of execution, and from execution itself, upon a judgment), (iii) agrees that any legal action or proceeding with respect to the Residential Unit may be brought in the courts of the State of New York and in the City of New York or in the United States District Court for the Southern District of New York, as the Board shall elect, and (iv) permits execution and enforcement of any judgment obtained by the Board.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner’s Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the leasing of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Board of Right of First Refusal. The right of first refusal contained in Section 8.1 hereof may be released or waived by the Board only in the manner provided in Section 8.5 hereof. In the event the Board shall release or waive its right of first refusal as to any Residential Unit, such Residential Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2 hereof, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3 hereof.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed by an officer of the Board stating that the provisions of Subsection 8.1.1 hereof have been met by a Residential Unit Owner or stating that the right of first refusal contained therein has been duly released or waived by the

Board, and that as a result thereof the rights of the Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3 hereof), shall be conclusive upon the Board and the Residential Unit Owners in favor of all persons who rely on such certificate in good faith. The Board shall furnish such certificate upon request to any Residential Unit Owner with respect to whom the provisions of Subsection 8.1.1 hereof apply.

8.6 Financing of Purchase of Residential Units by Board. The purchase of any Residential Unit by the Board, on behalf of all Residential 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 (taking into account the need to maintain a reserve in such accounts), the Board may levy an assessment against each Residential Unit Owner in proportion to such Residential Unit Owner's respective Common Interest, as a Common Charge, and/or the Board may, in its discretion, finance the acquisition of such Residential Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Residential Unit (s) to be purchased together with its (their) appurtenant Common Interest(s).

8.7 Exceptions. The provisions of Section 8.1 hereof shall not apply with respect to any lease, sale or conveyance of any Residential Unit together with its appurtenant Common Interest by (a) the Residential Unit Owner thereof to such Residential Unit Owner's spouse, life partner, adult children or grandchildren, parents, grandparents, adult siblings or to any 1 or more of them, (b) Declarant and/or its designee(s), (c) the Board, (d) any proper officer conducting the sale of a Residential Unit in connection with the foreclosure of a mortgage or other lien covering such Residential Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or its assignees, who has acquired title to any Residential Unit at any foreclosure sale of such Residential Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Residential Unit Owner's Residential Unit subject to, the provisions of this Article 8.

8.8 Gifts and Devises, etc. Any Residential Unit Owner shall be free to lease, sell or convey, gift, devise or have pass by intestacy the Residential Unit to a spouse, life partner, adult child or grandchild, parent, grandparent or adult sibling, without being subject to the restrictions of Section 8.1 hereof; provided, however, that each succeeding Residential Unit Owner shall be bound by, and such Residential Unit Owner's Residential Unit shall remain subject to, the provisions of this Article 8.

8.9 Unauthorized Sales or Leases of Residential Units. Any purported sale or lease of a Residential Unit consummated in violation of Sections 8.1, 8.2 or 8.3 hereof shall be voidable at the election of the Board and if the Board shall so elect, the Residential Unit Owner shall be deemed to have authorized and empowered the Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized lease), in the name of the said Residential Unit Owner as the owner or landlord, as the case may be. Said Residential Unit Owner shall reimburse the Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 Charges Imposed on Sale or Lease of Residential Units. If permitted by Law, the Board shall be entitled to fix by resolution and collect, before any sale or lease of a Residential Unit is consummated, a reasonable charge to cover its expenses, and any fees due the Managing Agent or any attorney retained by the Board, in connection with the sale or lease. Additionally, with the consent of the Declarant and/or its designee(s) (for so long as there are any Unsold Residential Units), the Board may, if permitted by Law, by resolution adopt a "flip" tax in connection with such sale in order to create a reserve fund which will provide reserves for the Condominium to use in the future for capital improvements, emergency repairs and working capital. If such charges are adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Residential Unit Owner. The aforementioned

charges shall not apply to the lease of a Residential Unit to Declarant and/or its designee(s), to the sale or lease of Unsold Residential Units by Declarant and/or its designee(s), or to the sale or lease of Unsold Residential Units by a Permitted Mortgagee of Declarant and/or its designee(s) that acquires title to Unsold Residential Units.

8.11 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 16 of the Declaration, in the form set forth as Exhibit E to the Declaration.

8.12 Notices Concerning Residential Unit Ownership and Occupancy. Within 5 days following acquisition of a Residential Unit or the commencement of a lease relating thereto, the new Residential Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Residential Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Residential Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent. For so long as any Residential Units are occupied by Non-Purchasing Tenants, a purchaser of such Residential Unit, promptly after acquiring title to the Residential Unit, shall notify the Non-Purchasing Tenant of the change in ownership and the name of the new Residential Unit Owner and the Board shall make available such information to the Non-Purchasing Tenant. Additionally, each purchaser of a Residential Unit occupied by a Non-Purchasing Tenant must: (a) deposit with the Managing Agent at the closing of title to the Residential Unit, a sum not less than an amount equal to the greater of (i) 2 months' Common Charges or (ii) 2 months' rent to be used as working capital to furnish those services and facilities required under the Non-Purchasing Tenant's lease and those required by the GBL, and (b) upon written notice by the Managing Agent that the deposit has been diminished, replenish such fund within a 30 day period.

8.13 Waiver of Right of Partition with Respect to Residential Units Acquired on Behalf of Residential Unit Owners as Tenants-in-Common. In the event that any Residential Unit shall be acquired by the Board or its designee, corporate or otherwise, on behalf of all Residential Unit Owners as tenants-in-common, all such Residential Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Residential Unit as herein provided.

8.14 Mortgage of Units. Subject to Article 7 hereof, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction, provided that the Unit Owner making such mortgage shall notify in writing the Board of the making of such mortgage.

8.15 Lease or Purchase of a Residential Unit or Other Apartment for the Superintendent's Residence. The Board shall have the right to lease or purchase and finance the purchase of a Residential Unit or other apartment, in addition to the Superintendent's Apartment, for the Superintendent's use and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease, purchase or financing.

8.16 Assignment of Licenses. No Residential Unit Owner, other than the Declarant and/or its designee(s), shall be permitted to assign or convey a Storage Locker License to anyone other than a Residential Unit Owner. Such Storage Locker License may be assigned by a Residential Unit Owner at any time (and not subject to any right of first refusal by the Board) provided (i) the assignee is a Residential Unit Owner; (ii) the assignee assumes the obligations under the Storage Locker License; (iii) notification of the assignment is promptly delivered to the Board in compliance with its requirements; and (iv) all Special Assessments and other obligations due to the Condominium have been paid in full.

ARTICLE 9.

RECORDS AND AUDITS

9.1 Records. The Board or the Managing Agent, if any, shall keep detailed records of the actions of the Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Board against each Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

9.2 Audits. Within 4 months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Board to all Unit Owners and, if so requested, to any Permitted Mortgagee. The cost of such report submitted by the Board shall be paid by the Unit Owners as a Common Expense.

9.3 Availability of Documents. Copies of the Declaration, these By-Laws, the Residential Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 10.

ARBITRATION

10.1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before 1 arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before 1 arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of Kings. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with arbitration under this Article 10 shall be a lawyer or real estate developer or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than 15 years.

10.2 Costs and Expenses. The fees, costs and expenses of the arbitrator will be borne by the losing party in the arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants. Each disputant will also bear the fees and expenses of its own counsel and expert witnesses. All costs and expenses paid or incurred by the Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses will constitute Common Expenses.

10.3 Agreement by Parties. The parties to any dispute required or permitted to be submitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 10.1 hereof with respect to the arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the "New York Simplified Procedure for Court Determination of Disputes."

ARTICLE 11.

MISCELLANEOUS

11.1 Waiver. No provision contained in these By-Laws or the Residential Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

11.2 Captions. The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

11.3 Certain References.

11.3.1 A reference in these By-Laws to any 1 gender, masculine, feminine or neuter, includes the other 2, and the singular includes the plural, and vice versa, unless the context otherwise requires.

11.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

11.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

11.4 Severability. Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Residential Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

11.5 Insurance Trustee. As used herein, the term "Insurance Trustee" shall refer to a bank or trust company in the City of New York, designated by the Board and having a capital surplus and undivided profits of \$500,000,000 or more. In the event the Insurance Trustee resigns or the Board wishes to replace it, the Board shall promptly appoint a new Insurance Trustee. The Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York.

11.6 Successors and Assigns. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant and/or its designee(s) as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant and/or its designee(s) or, with the consent of Declarant and/or its designee(s), any transferee of some or all of the Unsold Residential Units then owned by Declarant and/or its designee(s), as the case may be. The rights and/or obligations of the Commercial Unit Owner and/or its designee(s) as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Commercial Unit Owner and/or its designee(s). The rights and/or obligations of the Residential Unit Owners as set forth herein shall inure to the benefit of and be binding upon any successors or assigns of the Residential Unit Owners.

11.7 Covenant of Further Assurances.

11.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, upon prior reasonable written request and (except if the requesting party is the Board) at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

11.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails, within 10 days (or 60 days, where the other party is a Permitted Mortgagee) after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery (with a copy to the Board) stating the reasons why such Unit Owner or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Board or other party is hereby authorized as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

11.7.3 If any Unit Owner, the Board or other party which is subject to the terms of these By-Laws fails, within ten 10 days (or 60 days, where the other party is a Permitted Mortgagee) after written request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant and/or its designee(s) or Commercial Unit Owner, or (ii) to deliver a written notice to Declarant and/or its designee(s) or Commercial Unit Owner, as applicable (with a copy to the Board), stating the reasons why such Unit Owner, the Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant and/or its designee(s) or Commercial Unit Owner is hereby authorized, as attorney-in-fact for such Unit Owner, the Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, the Board or other party and such document or action shall be binding on such Unit Owner, the Board or other party, as the case may be.

ARTICLE 12.

AMENDMENT TO BY-LAWS

12.1 Amendments by Unit Owners. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), or any Unsold Residential Units or the Commercial Unit Owner or the Commercial Unit, any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant and/or its designee(s), the Commercial Unit Owner, Permitted Mortgagees or any Unsold Residential Units or the Commercial Unit, any such amendment, modification, addition or deletion shall be executed by the Board, as attorney-in-fact for the Unit Owners, coupled with an interest, which the Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with

respect to amendments affecting Declarant and/or its designee(s) or any Unsold Residential Units, or the Commercial Unit Owner and/or its designee(s) (i) no amendment, modification, addition or deletion pursuant to the provisions of the first sentence hereof shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, or Declarant and/or its designee(s), or the Commercial Unit Owner, and (ii) the provisions of this Section 12.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

12.2 Amendments Affecting Declarant and/or its designee(s) or the Commercial Unit Owner. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Residential Rules and Regulations shall be effective in any way (a) without the prior written consent of Declarant and/or its designee(s) or the owner of any Unsold Residential Unit, as the case may be, or the Commercial Unit Owner and/or its designee(s), with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Residential 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 Declarant and/or its designee(s) or the owner of any Unsold Residential Unit, or the Commercial Unit Owner and/or its designee(s), as the case may be, or otherwise adversely affecting Declarant and/or its designee(s) or the owner of any Unsold Residential Unit or the Commercial Unit Owner and/or its designee(s), as the case may be, or (b) without the prior written consent of the holder of any present or future mortgage, pledge or other lien or security interest covering any Unsold Residential Unit or the Commercial Unit, if required under the terms of such mortgage, pledge or other lien or security interest, with respect to any amendment, modification, addition or deletion of or to these By-Laws, the Declaration, or the Residential Rules and Regulations modifying the permitted uses of such Unsold Residential Unit or the Commercial Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Residential Unit or the Commercial Unit. Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s) shall have the right to amend these By-Laws, without the consent of the Board or any other Residential Unit Owner, to effectuate the rights otherwise granted to Declarant and/or its designee(s) or the Commercial Unit Owner and/or its designee(s) under the terms of the Declaration and these By-Laws.

12.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or Sections 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e) or 8.10 hereof shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

SCHEDULE A

RESIDENTIAL RULES AND REGULATIONS

1. The sidewalks, entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Building shall not be obstructed or used for any other purpose than ingress to and egress from the Residential Units and the Commercial Unit.
2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways or fire tower landings of the Building, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Building.
3. Neither occupants nor their guests shall play in the entrances, passages, public halls, elevators (if any), vestibules, corridors, stairways or fire towers of the Building.
4. No public hall or public elevator vestibule (if any) of the Building shall be decorated or furnished by any Residential Unit Owner in any manner.
5. Each Residential Unit Owner shall keep such Residential Unit Owner's Residential Unit and any Residential Limited Common Elements appurtenant thereto in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance.
6. No window guards or window decorations shall be used in or about any Residential Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Board or the managing agent of the Condominium, which approval shall not be unreasonably withheld or delayed.
7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Building and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Building except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Board or the managing agent of the Building, nor shall anything be projected from any door or window of the Building without similar approval except as may otherwise be required by Law.
8. No heat, ventilator or air conditioning device shall be installed in any Residential Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.
9. All radio, television or other electrical equipment of any kind or nature installed or used in each Residential Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Residential Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment in such Residential Unit Owner's Residential Unit.
10. No velocipedes, bicycles, scooters or similar vehicles shall be allowed in the elevators other than the elevators (if any) designated by the Board or the managing agent of the Condominium for that purpose, and no baby carriages or any of the above-mentioned vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Building.

11. No Residential Unit Owner shall make or permit any disturbing noises or activity in the Building or do or permit anything to be done therein, which will unreasonably interfere with the rights, comfort or convenience of other Residential Unit Owners. No Residential Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television computer, stereo or other loudspeaker in such Residential Unit Owner's Residential Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Board. No construction or repair work or other installation involving noise shall be conducted in any Residential Unit except on weekdays (not including legal holidays) and only between the hours of 8:00 A.M. and 5:00 P.M., unless such construction or repair work is necessitated by an Emergency or unless such work is performed by Declarant and/or its designee(s).

12. No pets other than dogs, caged birds, cats and fish (which do not and are not reasonably expected to cause a nuisance, health hazard or unsanitary condition), shall be permitted, kept or harbored in a Residential Unit or a Storage Locker without the same in each instance having been expressly permitted in writing by the Board or the managing agent of the Building and such consent, if given, shall be revocable by the Board or such managing agent in their sole discretion, at any time. In no event shall any Residential Unit Owner maintain more than 1 pet in a Residential Unit without the consent of the Board nor shall any bird, reptile or animal be permitted in any public elevator in the Building, other than the elevators designated by the Board or the managing agent Building for that purpose, or in any of the public portions of the Building, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Building or on the sidewalk or street adjacent to the Building. Each Residential Unit Owner who keeps any type of pet in such Residential Unit Owner's Residential Unit may be required to enter into an agreement with the Board setting forth such other rules regarding pets as the Board shall deem suitable and indemnifying and holding harmless the Condominium, all Residential Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. Messengers and trades people visiting in the Building may be required to use the elevators (if any) designated by the Board or the managing agent of the Condominium for that purpose, for ingress and egress, and shall not use any of the other elevators for any purpose, except that nurses in the employ of Residential Unit Owners or their guests or tenants may use any of the other elevators when accompanying said Residential Unit Owners, guests or tenants. However, a guest or visitor of a Residential Unit Owner may use any of the elevators freely, if authorized by such Residential Unit Owner.

14. All service and delivery persons may be required to use the service entrance (if any). All packages, whenever feasible, may be required to be delivered by outside personnel to the package room (if any) in the lobby where such packages will be held for pick-up by Residential Unit Owners.

15. Trunks and heavy baggage shall be taken in or out of the Building by the elevators designated by the Board or the managing agent of the Building for that purpose, and through a designated entrance only.

16. No refuse from the Residential Units shall be sent to the Cellar Level of the Building except at such times and in such manner as the Board or the managing agent may direct.

17. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Residential Unit shall be repaired and paid for by the Owner of such Residential Unit.

18. No occupant of the Building shall send any employee of the Building or of the managing agent thereof out of the Condominium on any private business.

19. The agents of the Board or the managing agent, and any contractor or worker authorized by the Board or the managing agent, may enter any room or Residential Unit at any reasonable hour of the day, on at least 1 day's prior written notice to the Residential Unit Owner, for the purpose of inspecting such Residential Unit for the presence of any vermin, insects or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects or other pests; however, such entry, inspection and extermination shall be done in a manner so as not to unreasonably interfere with the use of such Residential Unit for its permitted purposes.

20. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.

21. The Board or the managing agent may retain a passkey to each Residential Unit that has locks. If any lock is altered or a new lock is installed, the Board or the managing agent shall be provided with a key thereto immediately upon such alteration or installation. If the Residential Unit Owner is not personally present to open and permit an entry to such Residential Unit Owner's Residential Unit at any time when an entry therein is necessary or permissible under these Residential Rules and Regulations or under the By-Laws and has not furnished a key to the Board or the managing agent, then the Board or the managing agent (but, except in an Emergency, only when specifically authorized by an officer of the Board or an officer of the managing agent) may forcibly enter such Residential Unit without liability for damages or trespass by reason thereof (if during such entry reasonable care under the circumstances is given to such Residential Unit Owner's property).

22. No vehicle belonging to a Residential Unit Owner or to a member of the family or guest, tenant or employee of a Residential Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building.

23. Complaints regarding the services of the Building shall be made in writing to the Board or to the managing agent.

24. Any consent or approval given under these Residential Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Board (or the managing agent if authorized by the Board), at any time by resolution of the Board. Further, any such consent or approval may, in the discretion of the Board, be conditional in nature.

25. Residential Unit Owners will faithfully observe the following procedures with respect to the use of any compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; and (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover.

26. Except as expressly permitted under the Declaration and By-Laws, Residential Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.

27. Residential Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Residential Units or Residential Limited Common Elements.

28. No Residential Unit Owner or any of such Residential Unit Owner's agents, servants, employees, tenants, sublessees or visitors shall at any time bring into or keep in such Residential Unit Owner's Residential Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except in the minimum quantities as shall be necessary and appropriate for the permitted uses of such Residential Unit.

29. If any key or keys are entrusted by a Residential Unit Owner or by any member of such Residential Unit Owner's family or by such Residential Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Board or the managing agent whether for such Residential Unit Owner's Residential Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Residential Unit Owner, and neither the Board nor the managing agent shall (except as provided in paragraph 21 above) be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.

30. Nothing shall be done or kept in any Residential Unit or in the Common Elements or Residential Common Elements or Residential Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Board. No Residential Unit Owner shall permit anything to be done or kept in such Residential Unit Owner's Residential Unit or in the Common Elements or Residential Common Elements or Residential Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the Common Elements or Residential Common Elements.

31. Subject to the provisions in the Condominium Documents governing the Storage Room and the Storage Lockers including Declarant's right to install additional Storage Lockers, the Board shall have the right from time to time to relocate any portion of the Common Elements or Residential Common Elements devoted to storage or service purposes, if any.

32. No group tour or exhibition of any Residential Unit or its contents shall be conducted, nor shall any auction sale be held in any Residential Unit, without the prior consent of the Board or the managing agent.

33. In the event that any Residential Unit is used for a doctor's office or other home occupation purposes which is permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.

34. Unless expressly authorized by the Board in each case, at least 80% of the floor area of each Residential Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs carpeting or equally effective noise-reducing material.

35. There will be no barbecuing in the Residential Units or in any Residential Limited Common Elements or the Common Elements or the Residential Common Elements, except for those areas (if any) specifically designated for barbecuing by the Board.

36. The Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Building when, in the reasonable judgment of the Board, the Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Building, or the preservation of good order therein, or the operation or maintenance of the Building, or the equipment thereof, or the comfort of Residential Unit Owners, occupants or others in the Building. No rescission, alteration, waiver or addition of any rule or regulation in respect of 1 Residential Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Residential Unit Owner or other occupant.

EXHIBIT E**TO THE DECLARATION OF THE CONDOMINIUM****POWER OF ATTORNEY**

(to be executed in triplicate)

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 12 Realty Associates LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Crown12 Condominium (the "Condominium") and by the street number 12-34 Crown Street, Brooklyn, New York 11225 under Article 9-B of the Real Property Law of the State of New York dated _____ 20__, and recorded in the Kings County Office of the Register of the City of New York on _____, ____ in Reel _____, page _____ or (b) in the by-laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Residential Unit") in the Condominium which is designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____, in Block 1190 of Section _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) to acquire any Residential Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board or its designee, corporate or otherwise on behalf of all Residential Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired by them, or to sublease any Residential Unit so leased by them without the necessity of further authorization by the Residential Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in such Residential Unit which the undersigned could do if the undersigned were personally present, (2) upon determination by the Board, to commence, pursue, appeal, settle and/or terminate administrative and/or certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Building as the Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any

amendment thereto, affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned hereby nominates, constitutes and appoints the Declarant or its designee true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Residential Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Residential Units or Common Elements or Residential Common Elements or Residential Limited Common Elements or the Commercial Unit by Declarant when such amendment (i) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the aforesaid Residential Units resulting therefrom made by the Declarant or its designee in accordance with the Declaration or (ii) shall be required by (x) any holder of an Institutional Mortgage designated by the Declarant or its designee to make a mortgage loan secured by a mortgage on any Residential Unit or the Commercial Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Declarant or its designee to insure title to any Residential Unit or the Commercial Unit; provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Residential Unit, (ii) require a material or physical modification to the undersigned's Residential Unit or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by a holder of an Institutional Mortgage covering the undersigned's Residential Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 20__

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

EXHIBIT 7

UNIT POWER OF ATTORNEY

**ALSO EXHIBIT E
TO THE DECLARATION OF THE CONDOMINIUM**

POWER OF ATTORNEY
(to be executed in triplicate)

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 12 Realty Associates LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The Crown12 Condominium (the "Condominium") and by the street number 12-34 Crown Street, Brooklyn, New York 11225 under Article 9-B of the Real Property Law of the State of New York dated _____ 20__, and recorded in the Kings County Office of the Register of the City of New York on _____, ____ in Reel _____, page _____ or (b) in the by-laws of the Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Residential Unit") in the Condominium which is designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot _____, in Block 1190 of Section _____ of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Board or in the name of their designee (corporate or otherwise), on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) to acquire or lease any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Residential Unit, together with its Appurtenant Interests, from any Residential Unit Owner who elects to surrender the same pursuant to the By-Laws, and (c) to acquire any Residential Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Board or its designee, corporate or otherwise on behalf of all Residential Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Residential Unit so acquired by them, or to sublease any Residential Unit so leased by them without the necessity of further authorization by the Residential Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in such Residential Unit which the undersigned could do if the undersigned were personally present, (2) upon determination by the Board, to commence, pursue, appeal, settle and/or terminate administrative and/or certiorari proceedings to obtain reduced real estate tax assessments with respect to Residential Units including retaining counsel and taking any other actions which the Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements or Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance of the Common Elements or Residential Common Elements or Residential Limited Common Elements, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Building as the Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Common Elements or

Residential Common Elements or Residential Limited Common Elements which the Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Board shall constitute the acts of said attorneys-in-fact.

The undersigned hereby nominates, constitutes and appoints the Declarant or its designee true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Residential Unit Owners, in accordance with such Residential Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Residential Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Residential Units or Common Elements or Residential Common Elements or Residential Limited Common Elements or the Commercial Unit by Declarant when such amendment (i) shall be required to reflect any changes in Unsold Residential Units and/or the reapportionment of the Common Interests of the aforesaid Residential Units resulting therefrom made by the Declarant or its designee in accordance with the Declaration or (ii) shall be required by (x) any holder of an Institutional Mortgage designated by the Declarant or its designee to make a mortgage loan secured by a mortgage on any Residential Unit or the Commercial Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by the Declarant or its designee to insure title to any Residential Unit or the Commercial Unit; provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the undersigned's Residential Unit, (ii) require a material or physical modification to the undersigned's Residential Unit or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by a holder of an Institutional Mortgage covering the undersigned's Residential Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of ____, 20__

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

State of New York)
) ss.:
 County of _____)

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____ personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that (s)he executed the same in his/her capacity, and that by his/her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

 Notary Public

EXHIBIT 8

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS

New York State Department of Law
Investment Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

**Re: The Crown12 Condominium
12-34 Crown Street
Brooklyn, New York 11225**

Ladies / Gentlemen:

We are the sponsor and the principals of sponsor of the condominium offering plan for the captioned property.

We understand that we are responsible for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 23 and such other laws and regulations as may be applicable.

We have read the entire offering plan. We have investigated the facts set forth in the offering plan and the underlying facts. We have exercised due diligence to form a basis for making this certification. We jointly and severally certify that all documents submitted hereafter by us which further amend or supplement the offering plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;
- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase of sale;
- (vi) not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and

(vii) not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated as of October 26 2016

SPONSOR

12 REALTY ASSOCIATES LLC

By: _____

Name: Joel Wiener

Title: Authorized Signatory

SPONSOR'S PRINCIPALS:

Joel Wiener

Sherry Wiener

Sworn to before me this
26 day of October, 2016

Notary Public

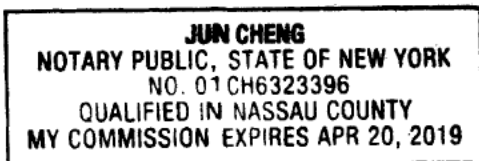


EXHIBIT 9

CERTIFICATION OF SPONSOR'S ENGINEER



ARCHITECT'S CERTIFICATION

STATE OF NEW YORK)
) ss:
 COUNTY OF NEW YORK)

**12-34 CROWN STREET
 BROOKLYN, NY 11225**

The sponsor of the offering plan to convert the captioned property to condominium ownership retained our firm to prepare a report disclosing the condition of the property (the "Report"). Our firm visually inspected the property on **April 9, 2015, April 30, 2015, June 4, 2015, October 22, 2015, September 23, 2016**. Our firm prepared the Report dated **November 6, 2015, May 25th, 2017 July 21, 2017, and October 3, 2017**, a copy of which is intended to be incorporated into the offering plan so that prospective purchasers may rely on the Report.

I am a registered architect in the State in which the property is located.

I understand that I am responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 23 insofar as they are applicable to this Report.

I have read the entire Report and investigated the facts set forth in the Report and the facts underlying it and conducted the visual inspection referred to above with due diligence in order to form a basis for this certification. I certify that the report and all documents prepared by me disclose all the material facts which were then discernable from a visual inspection of the property. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report based on my visual inspection:

- i. sets forth in narrative form the description and/or physical condition of the entire property and is current and accurate as of the date of inspection;
- ii. in my professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the physical condition of the property;
- iii. does not omit any material fact;
- iv. does not contain any untrue statement of a material fact;
- v. does not contain any fraud, deception, concealment, or suppression;
- vi. does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;

Description of Property & Building Condition Report | 12-34 CROWN STREET



vii. does not contain any representation or statement which is false, where I:

- a. knew the truth;
- b. with reasonable effort could have known the truth;
- c. made no reasonable effort to ascertain the truth; or
- d. did not have knowledge concerning the representation or statement made; and

viii. It is to be understood that all aspects of the physical condition of the property cannot be determined by a visual inspection and that all statements contained in this certification are premised on and limited to such visual inspection.

I further certify that I am not owned or controlled by and have no beneficial interest in the sponsor and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.

Howard L. Zimmerman Architects, P.C.

By: Howard L. Zimmerman



Sworn to before me this

10 Day of October, 2017

Sarah Archbold

Notary Public

SARAH L. ARCHBOLD
 Notary Public, State of New York
 No. 01AR5071633
 Qualified in Queens County
 Commission Expires January 21, 2019

Description of Property & Building Condition Report | 12-34 CROWN STREET

EXHIBIT 10

CERTIFICATION OF SPONSOR'S EXPERT CONCERNNG ADEQUACY OF BUDGET

NU-PLACE REALTY

INVESTMENTS FOR LIVING

CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF BUDGET

New York State Department of Law
Investment Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

**Re: The Crown12 Condominium
 12-34 Crown Street
 Brooklyn, New York 11225**

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to review the Schedule B containing projections of income and expenses for the first year of condominium operation. Nu-Place Realty has been actively engaged in the management of residential buildings, including cooperatives, condominiums and rentals for in excess of 25 years and has managed in excess of 25 residential buildings.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in 13 NYCRR Part 23 insofar as they are applicable to Schedule B.

We have reviewed Schedule B and investigated the facts set forth in Schedule B and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedule B appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses for the projected first year of condominium operation.

We certify that Schedule B:

- (i) sets forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;

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- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses of condominium operation for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated as of Oct 5, 2016

By: Nathan Fridman
 Name: Nathan Fridman
 Title: Licensed Real Estate Broker

Sworn to before me this
5th day of October, 2016

Marcus Lee Hagan
 Notary Public, State of New York

Commission # 0626295673
 Qualified in Queens County

My Commission Expires January 6, 2018

**CERTIFICATION OF SPONSOR'S EXPERT CONCERNNG ADEQUACY OF
COMMON CHARGES**

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CERTIFICATION OF SPONSOR'S EXPERT CONCERNING ADEQUACY OF COMMON CHARGES

New York State Department of Law
Investment Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: **The Crown12 Condominium**
12-34 Crown Street
Brooklyn, NY 11225

Ladies and Gentlemen:

The sponsor of the condominium offering plan for the captioned property retained our firm to review the Schedule which includes projections of common charges payable by the owners of the commercial units. Nu-Place Realty has been actively engaged in the management of residential buildings, including cooperatives, condominiums and rentals for in excess of 25 years and has managed in excess of 25 residential buildings.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in 13 NYCRR Part 23 insofar as they are applicable to the commercial units listed in Schedule B.

We have reviewed the Schedule B as it impacts upon the commercial units and investigated the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing New York residential buildings.

We certify that the projections in Schedule B- Budget for common charges payable by the owners of commercial units appear reasonable and adequate under existing circumstances, and the projected income appears to be sufficient to meet the anticipated operating expenses fairly attributable to such for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial units also reflects special or exclusive use or availability or exclusive control of common areas.

We certify that the estimates in Schedule B – Budget for the common charges payable by the owners of the commercial unit:

- (i) set forth in detail the projected common charges for the commercial unit for the first year of condominium operation;

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- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) does not contain any representation or statement which is false, where we: (a) knew the truth; (b) with reasonable effort could have known the truth; (c) made no reasonable effort to ascertain the truth; or (d) did not have knowledge concerning the representations or statement made.

We further certify that we are not owned or controlled by the sponsor. We understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the common charges attributable to the commercial unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

Dated as of May 22, 2017

By: Nathan Fridman
 Name: Nathan Fridman
 Title: Licensed Real Estate Broker

Sworn to before me this
22nd day of May, 2017
Marcus Lee Graham
 Notary Public

MARCUS LEE GRAHAM
 NOTARY PUBLIC-STATE OF NEW YORK
 No 01GR6295673
 Qualified in Queens County
 My Commission Expires 01-06-2018

EXHIBIT 11

FORM W-9

Form **W-9**
(Rev. November 2017)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ► ☐ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate 5 Address (number, street, and apt. or suite no.) See instructions. 6 City, state, and ZIP code 7 List account number(s) here (optional)	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ (Applies to accounts maintained outside the U.S.)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
or	
Employer identification number	

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign
Here

Signature of
U.S. person ►

Date ►

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)

2—The United States or any of its agencies or instrumentalities

3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

4—A foreign government or any of its political subdivisions, agencies, or instrumentalities

5—A corporation

6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession

7—A futures commission merchant registered with the Commodity Futures Trading Commission

8—A real estate investment trust

9—An entity registered at all times during the tax year under the Investment Company Act of 1940

10—A common trust fund operated by a bank under section 584(a)

11—A financial institution

12—A middleman known in the investment community as a nominee or custodian

13—A trust exempt from tax under section 664 or described in section 4947

Form W-9 (Rev. 11-2017)

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

EXHIBIT 12

FORM W-8BEN

Form **W-8BEN**

(Rev. July 2017)

Department of the Treasury
Internal Revenue Service**Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)**

► For use by individuals. Entities must use Form W-8BEN-E.

► Go to www.irs.gov/FormW8BEN for instructions and the latest information.

► Give this form to the withholding agent or payer. Do not send to the IRS.

OMB No. 1545-1621

Do NOT use this form if:**Instead, use Form:**

- You are NOT an individual W-8BEN-E
- You are a U.S. citizen or other U.S. person, including a resident alien individual W-9
- You are a beneficial owner claiming that income is effectively connected with the conduct of trade or business within the U.S. (other than personal services) W-8ECI
- You are a beneficial owner who is receiving compensation for personal services performed in the United States 8233 or W-4
- You are a person acting as an intermediary W-8IMY

Note: If you are resident in a FATCA partner jurisdiction (i.e., a Model 1 IGA jurisdiction with reciprocity), certain tax account information may be provided to your jurisdiction of residence.

Part I Identification of Beneficial Owner (see instructions)

1 Name of individual who is the beneficial owner	2 Country of citizenship
3 Permanent residence address (street, apt. or suite no., or rural route). Do not use a P.O. box or in-care-of address.	
City or town, state or province. Include postal code where appropriate.	Country
4 Mailing address (if different from above)	
City or town, state or province. Include postal code where appropriate.	Country
5 U.S. taxpayer identification number (SSN or ITIN), if required (see instructions)	6 Foreign tax identifying number (see instructions)
7 Reference number(s) (see instructions)	8 Date of birth (MM-DD-YYYY) (see instructions)

Part II Claim of Tax Treaty Benefits (for chapter 3 purposes only) (see instructions)

- 9 I certify that the beneficial owner is a resident of _____ within the meaning of the income tax treaty between the United States and that country.
- 10 **Special rates and conditions** (if applicable—see instructions): The beneficial owner is claiming the provisions of Article and paragraph _____ of the treaty identified on line 9 above to claim a _____ % rate of withholding on (specify type of income): _____
- Explain the additional conditions in the Article and paragraph the beneficial owner meets to be eligible for the rate of withholding: _____

Part III Certification

Under penalties of perjury, I declare that I have examined the information on this form and to the best of my knowledge and belief it is true, correct, and complete. I further certify under penalties of perjury that:

- I am the individual that is the beneficial owner (or am authorized to sign for the individual that is the beneficial owner) of all the income to which this form relates or am using this form to document myself for chapter 4 purposes,
 - The person named on line 1 of this form is not a U.S. person,
 - The income to which this form relates is:
 - (a) not effectively connected with the conduct of a trade or business in the United States,
 - (b) effectively connected but is not subject to tax under an applicable income tax treaty, or
 - (c) the partner's share of a partnership's effectively connected income,
 - The person named on line 1 of this form is a resident of the treaty country listed on line 9 of the form (if any) within the meaning of the income tax treaty between the United States and that country, and
 - For broker transactions or barter exchanges, the beneficial owner is an exempt foreign person as defined in the instructions.
- Furthermore, I authorize this form to be provided to any withholding agent that has control, receipt, or custody of the income of which I am the beneficial owner or any withholding agent that can disburse or make payments of the income of which I am the beneficial owner. **I agree that I will submit a new form within 30 days if any certification made on this form becomes incorrect.**

Sign Here

Signature of beneficial owner (or individual authorized to sign for beneficial owner)

Date (MM-DD-YYYY)

Print name of signer

Capacity in which acting (if form is not signed by beneficial owner)



Instructions for Form W-8BEN

(Rev. July 2017)

Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)

Section references are to the Internal Revenue Code unless otherwise noted.

Future Developments

For the latest information about developments related to Form W-8BEN and its instructions, such as legislation enacted after they were published, go to [IRS.gov/FormW8BEN](https://www.irs.gov/FormW8BEN).

What's New

Minor updates are made to Form W-8BEN to conform with Form W-8BEN-E. A note on reciprocal exchange is added before Part I; Part II, line 10, is updated to match Form W-8BEN-E; and the first bullet in Part III is revised for clarity. These instructions have been updated to reflect temporary and final regulations under chapters 3 and 4 published in January 2017. These instructions include additional information on when a foreign TIN and date of birth are required to be included on Form W-8BEN. In addition, these instructions include information about the use of electronic signatures.

More information. For more information on FATCA, go to [IRS.gov/FATCA](https://www.irs.gov/FATCA).

General Instructions

For definitions of terms used throughout these instructions, see *Definitions*, later.

Purpose of Form

Establishing status for chapter 3 purposes. Foreign persons are subject to U.S. tax at a 30% rate on income they receive from U.S. sources that consists of:

- Interest (including certain original issue discount (OID));
- Dividends;
- Rents;
- Royalties;
- Premiums;
- Annuities;
- Compensation for, or in expectation of, services performed;
- Substitute payments in a securities lending transaction; or
- Other fixed or determinable annual or periodical gains, profits, or income.

This tax is imposed on the gross amount paid and is generally collected by withholding under section 1441. A payment is considered to have been made whether it is made directly to the beneficial owner or to another person, such as an intermediary, agent, or partnership, for the benefit of the beneficial owner.

In addition, section 1446 requires a partnership conducting a trade or business in the United States to withhold tax on a foreign partner's distributive share of the partnership's effectively connected taxable income. Generally, a foreign person that is a partner in a partnership that submits a Form W-8BEN for purposes of section 1441 or 1442 will satisfy the documentation requirements under section 1446 as well. However, in some cases the documentation requirements of sections 1441 and 1442 do not match the documentation requirements of section 1446. See Regulations sections 1.1446-1 through 1.1446-6.

Note. The owner of a disregarded entity (including an individual), rather than the disregarded entity itself, must submit the appropriate Form W-8BEN for purposes of section 1446.

If you receive certain types of income, you must provide Form W-8BEN to:

- Establish that you are not a U.S. person;
- Claim that you are the beneficial owner of the income for which Form W-8BEN is being provided or a foreign partner in a partnership subject to section 1446; and
- If applicable, claim a reduced rate of, or exemption from, withholding as a resident of a foreign country with which the United States has an income tax treaty and who is eligible for treaty benefits.

You may also be required to submit Form W-8BEN to claim an exception from domestic information reporting and backup withholding (at the backup withholding rate under section 3406) for certain types of income that are not subject to foreign-person withholding at a rate of 30% under section 1441. Such income includes:

- Broker proceeds;
- Short-term (183 days or less) OID;
- Bank deposit interest;
- Foreign source interest, dividends, rents, or royalties; and
- Proceeds from a wager placed by a nonresident alien individual in the games of blackjack, baccarat, craps, roulette, or big-6 wheel.

A withholding agent or payer of the income may rely on a properly completed Form W-8BEN to treat a payment associated with the Form W-8BEN as a payment to a foreign person who beneficially owns the amounts paid. If applicable, the withholding agent may rely on the Form W-8BEN to apply a reduced rate of, or exemption from, withholding at source.

Provide Form W-8BEN to the withholding agent or payer before income is paid or credited to you. Failure to provide a Form W-8BEN when requested may lead to withholding at the foreign-person withholding rate of 30% or the backup withholding rate under section 3406.

Establishing status for chapter 4 purposes. A foreign financial institution (FFI) may rely on a properly completed Form W-8BEN to establish your chapter 4 status as a foreign person. The Form W-8BEN should be provided to the FFI when requested. Failure to do so could result in 30% withholding on income paid or credited to you as a recalcitrant account holder from sources within the United States. See the definition of amounts subject to withholding, later.

Additional information. For additional information and instructions for the withholding agent, see the Instructions for the Requester of Forms W-8BEN, W-8BEN-E, W-8ECI, W-8EXP, and W-8IMY.

Who Must Provide Form W-8BEN

You must give Form W-8BEN to the withholding agent or payer if you are a nonresident alien who is the beneficial owner of an amount subject to withholding, or if you are an account holder of an FFI documenting yourself as a nonresident alien. If you are the single owner of a disregarded entity, you are considered the beneficial owner of income received by the disregarded entity. Submit Form W-8BEN when requested by the withholding agent, payer, or FFI whether or not you are claiming a reduced rate of, or exemption from, withholding.

You should also provide Form W-8BEN to a payment settlement entity (PSE) requesting this form if you are a foreign individual receiving payments subject to reporting under section 6050W (payment card transactions and third-party network transactions) as a participating payee. However, if the payments are income which is effectively connected to the conduct of a U.S. trade or business, you should instead provide the PSE with a Form W-8ECI.

Do not use Form W-8BEN if you are described below.

- You are a foreign entity documenting your foreign status, documenting your chapter 4 status, or claiming treaty benefits. Instead, use Form W-8BEN-E.
- You are a U.S. citizen (even if you reside outside the United States) or other U.S. person (including a resident alien individual). Instead, use Form W-9 to document your status as a U.S. person.
- You are acting as a foreign intermediary (that is, acting not for your own account, but for the account of others as an agent, nominee, or custodian). Instead, provide Form W-8IMY.
- You are a nonresident alien individual who claims exemption from withholding on compensation for independent or dependent personal services performed in the United States. Instead, provide Form 8233 or Form W-4.
- You are receiving income that is effectively connected with the conduct of a trade or business in the United States, unless it is allocable to you through a partnership. Instead, provide Form W-8ECI. If any of the income for which you have provided a Form W-8BEN becomes effectively connected, this is a change in circumstances and Form W-8BEN is no longer valid with respect to such income. You must file Form W-8ECI. See *Change in circumstances*, later.

Giving Form W-8BEN to the withholding agent. Do not send Form W-8BEN to the IRS. Instead, give it to the

person who is requesting it from you. Generally, this will be the person from whom you receive the payment, who credits your account, or a partnership that allocates income to you. An FFI may also request this form from you to document your account as other than a U.S. account. Give Form W-8BEN to the person requesting it before the payment is made to you, credited to your account, or allocated. If you do not provide this form, the withholding agent may have to withhold at the 30% rate (under chapters 3 and 4), backup withholding rate, or the rate applicable under section 1446. If you receive more than one type of income from a single withholding agent for which you claim different benefits, the withholding agent may, at its option, require you to submit a Form W-8BEN for each different type of income. Generally, a separate Form W-8BEN must be given to each withholding agent.

Note. If you own the income or account jointly with one or more other persons, the income or account will be treated by the withholding agent as owned by a foreign person that is a beneficial owner of a payment only if Forms W-8BEN or W-8BEN-E are provided by all of the owners. If the withholding agent or financial institution receives a Form W-9 from any of the joint owners, however, the payment must be treated as made to a U.S. person and the account treated as a U.S. account.

Expiration of Form W-8BEN. Generally, a Form W-8BEN will remain in effect for purposes of establishing foreign status for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect. For example, a Form W-8BEN signed on September 30, 2015, remains valid through December 31, 2018.

However, under certain conditions a Form W-8BEN will remain in effect indefinitely until a change of circumstances occurs. To determine the period of validity for Form W-8BEN for purposes of chapter 4, see Regulations section 1.1471-3(c)(6)(ii). To determine the period of validity for Form W-8BEN for purposes of chapter 3, see Regulations section 1.1441-1(e)(4)(ii).

Change in circumstances. If a change in circumstances makes any information on the Form W-8BEN you have submitted incorrect, you must notify the withholding agent, payer, or FFI with which you hold an account within 30 days of the change in circumstances and you must file a new Form W-8BEN or other appropriate form.

If you use Form W-8BEN to certify that you are a foreign person, a change of address to an address in the United States is a change in circumstances. Generally, a change of address within the same foreign country or to another foreign country is not a change in circumstances. However, if you use Form W-8BEN to claim treaty benefits, a move to the United States or outside the country where you have been claiming treaty benefits is a change in circumstances. In that case, you must notify the withholding agent, payer, or FFI within 30 days of the move.

If you become a U.S. citizen or resident alien after you submit Form W-8BEN, you are no longer subject to the 30% withholding rate under section 1441 or the withholding tax on a foreign partner's share of effectively

connected income under section 1446. To the extent you have an account with an FFI, your account may be subject to reporting by the FFI under chapter 4. You must notify the withholding agent, payer, or FFI within 30 days of becoming a U.S. citizen or resident alien. You may be required to provide a Form W-9. For more information, see Form W-9 and its instructions.



You may be a U.S. resident for tax purposes depending on the number of days you are physically present in the United States over a 3-year period. See Pub. 519, available at [IRS.gov/Pub519](https://www.irs.gov/pub/irs519). If you satisfy the substantial presence test, you must notify the withholding agent, payer, or financial institution with which you have an account within 30 days and provide a Form W-9.

Definitions

Account holder. An account holder is generally the person listed or identified as the holder or owner of a financial account. For example, if a partnership is listed as the holder or owner of a financial account, then the partnership is the account holder, rather than the partners of the partnership (subject to some exceptions). However, an account that is held by a single-member disregarded entity is treated as held by the entity's single owner.

Amounts subject to withholding. Generally, an amount subject to chapter 3 withholding is an amount from sources within the United States that is fixed or determinable annual or periodical (FDAP) income. FDAP income is all income included in gross income, including interest (as well as OID), dividends, rents, royalties, and compensation. FDAP income does not include most gains from the sale of property (including market discount and option premiums), as well as other specific items of income described in Regulations section 1.1441-2 (such as interest on bank deposits and short-term OID).

For purposes of section 1446, the amount subject to withholding is the foreign partner's share of the partnership's effectively connected taxable income.

Generally, an amount subject to chapter 4 withholding is an amount of U.S. source FDAP income that is also a withholdable payment as defined in Regulations section 1.1473-1(a). The exemptions from withholding provided for under chapter 3 are not applicable when determining whether withholding applies under chapter 4. For specific exceptions applicable to the definition of a withholdable payment, see Regulations section 1.1473-1(a)(4) (exempting, for example, certain nonfinancial payments).

Beneficial owner. For payments other than those for which a reduced rate of, or exemption from, withholding is claimed under an income tax treaty, the beneficial owner of income is generally the person who is required under U.S. tax principles to include the payment in gross income on a tax return. A person is not a beneficial owner of income, however, to the extent that person is receiving the income as a nominee, agent, or custodian, or to the extent the person is a conduit whose participation in a transaction is disregarded. In the case of amounts paid that do not constitute income, beneficial ownership is determined as if the payment were income.

Foreign partnerships, foreign simple trusts, and foreign grantor trusts are not the beneficial owners of income paid to the partnership or trust. The beneficial owners of income paid to a foreign partnership are generally the partners in the partnership, provided that the partner is not itself a partnership, foreign simple or grantor trust, nominee, or other agent. The beneficial owners of income paid to a foreign simple trust (that is, a foreign trust that is described in section 651(a)) are generally the beneficiaries of the trust, if the beneficiary is not a foreign partnership, foreign simple or grantor trust, nominee, or other agent. The beneficial owners of a foreign grantor trust (that is, a foreign trust to the extent that all or a portion of the income of the trust is treated as owned by the grantor or another person under sections 671 through 679) are the persons treated as the owners of the trust. The beneficial owners of income paid to a foreign complex trust (that is, a foreign trust that is not a foreign simple trust or foreign grantor trust) is the trust itself.

For purposes of section 1446, the same beneficial owner rules apply, except that under section 1446 a foreign simple trust rather than the beneficiary provides the form to the partnership.

The beneficial owner of income paid to a foreign estate is the estate itself.

Note. A payment to a U.S. partnership, U.S. trust, or U.S. estate is treated as a payment to a U.S. payee that is not subject to 30% withholding under chapter 3 or 4. A U.S. partnership, trust, or estate should provide the withholding agent with a Form W-9. For purposes of section 1446, a U.S. grantor trust or disregarded entity shall not provide the withholding agent a Form W-9 in its own right. Rather, the grantor or other owner shall provide the withholding agent the appropriate form.

Chapter 3. Chapter 3 means chapter 3 of the Internal Revenue Code (Withholding of Tax on Nonresident Aliens and Foreign Corporations). Chapter 3 contains sections 1441 through 1464.

Chapter 4. Chapter 4 means chapter 4 of the Internal Revenue Code (Taxes to Enforce Reporting on Certain Foreign Accounts). Chapter 4 contains sections 1471 through 1474.

Deemed-compliant FFI. Under section 1471(b)(2), certain FFIs are deemed to comply with the regulations under chapter 4 without the need to enter into an FFI agreement with the IRS. However, certain deemed-compliant FFIs are required to register with the IRS and obtain a Global Intermediary Identification Number (GIIN). These FFIs are referred to as **registered deemed-compliant FFIs**. See Regulations section 1.1471-5(f).

Disregarded entity. A business entity that has a single owner and is not a corporation under Regulations section 301.7701-2(b) is disregarded as an entity separate from its owner. A disregarded entity does not submit this Form W-8BEN to a partnership for purposes of section 1446 or to an FFI for purposes of chapter 4. Instead, the owner of such entity provides appropriate documentation. See Regulations section 1.1446-1 and section 1.1471-3(a)(3) (v), respectively.

Certain entities that are disregarded for U.S. tax purposes may be recognized for purposes of claiming treaty benefits under an applicable tax treaty (see the definition of hybrid entity below). A hybrid entity claiming treaty benefits is required to complete Form W-8BEN-E. See Form W-8BEN-E and its instructions.

Financial account. A financial account includes:

- A depository account maintained by a financial institution;
- A custodial account maintained by a financial institution;
- Equity or debt interests (other than interests regularly traded on an established securities market) in investment entities and certain holding companies, treasury centers, or financial institutions as defined in Regulations section 1.1471-5(e);
- Cash value insurance contracts; and
- Annuity contracts.

For purposes of chapter 4, exceptions are provided for accounts such as certain tax-favored savings accounts; term life insurance contracts; accounts held by estates; escrow accounts; and annuity contracts. These exceptions are subject to certain conditions. See Regulations section 1.1471-5(b)(2). Accounts may also be excluded from the definition of financial account under an applicable IGA.

Financial institution. A financial institution generally means an entity that is a depository institution, custodial institution, investment entity, or an insurance company (or holding company of an insurance company) that issues cash value insurance or annuity contracts.

Foreign financial institution (FFI). An FFI generally means a foreign entity that is a financial institution.

Foreign person. A foreign person includes a nonresident alien individual and certain foreign entities that are not U.S. persons (entities should complete Form W-8BEN-E rather than this Form W-8BEN).

Hybrid entity. A hybrid entity is any person (other than an individual) that is treated as fiscally transparent for purposes of its status under the Code but is not treated as fiscally transparent by a country with which the United States has an income tax treaty. Hybrid status is relevant for claiming treaty benefits.

Intergovernmental agreement (IGA). An IGA means a Model 1 IGA or a Model 2 IGA. For a list of jurisdictions treated as having in effect a Model 1 or Model 2 IGA, see the list of jurisdictions at www.treasury.gov/resource-center/tax-policy/treaties/Pages/FATCA-Archive.aspx.

A **Model 1 IGA** means an agreement between the United States or the Treasury Department and a foreign government or one or more agencies to implement FATCA through reporting by FFIs to such foreign government or agency, followed by automatic exchange of the reported information with the IRS. An FFI in a Model 1 IGA jurisdiction that performs account reporting to the jurisdiction's government is referred to as a **reporting Model 1 FFI**.

A **Model 2 IGA** means an agreement or arrangement between the United States or the Treasury Department and a foreign government or one or more agencies to

implement FATCA through reporting by FFIs directly to the IRS in accordance with the requirements of an FFI agreement, supplemented by the exchange of information between such foreign government or agency and the IRS. An FFI in a Model 2 IGA jurisdiction that has entered into an FFI agreement with respect to a branch is a participating FFI, but may be referred to as a **reporting Model 2 FFI**.

Nonresident alien individual. Any individual who is not a citizen or resident alien of the United States is a nonresident alien individual. An alien individual meeting either the "green card test" or the "substantial presence test" for the calendar year is a resident alien. Any person not meeting either test is a nonresident alien individual. Additionally, an alien individual who is treated as a nonresident alien pursuant to Regulations section 301.7701(b)-7 for purposes figuring the individual's U.S. tax liability, or an alien individual who is a bona fide resident of Puerto Rico, Guam, the Commonwealth of the Northern Mariana Islands, the U.S. Virgin Islands, or American Samoa is a nonresident alien individual. See Pub. 519 for more information on resident and nonresident alien status.



Even though a nonresident alien individual married to a U.S. citizen or resident alien may choose to be treated as a resident alien for certain purposes (for example, filing a joint income tax return), such individual is still treated as a nonresident alien for chapter 3 withholding tax purposes on all income except wages. For purposes of chapter 4, a nonresident alien individual who holds a joint account with a U.S. person will be considered a holder of a U.S. account for chapter 4 purposes.

Participating FFI. A participating FFI is an FFI that has agreed to comply with the terms of an FFI agreement with respect to all branches of the FFI, other than a branch that is a reporting Model 1 FFI or a U.S. branch. The term "participating FFI" also includes a reporting Model 2 FFI and a qualified intermediary (QI) branch of a U.S. financial institution, unless such branch is a reporting Model 1 FFI.

Participating payee. A participating payee means any person that accepts a payment card as payment or accepts payment from a third-party settlement organization in settlement of a third-party network transaction.

Payment settlement entity (PSE). A PSE is a merchant acquiring entity or third-party settlement organization. Under section 6050W, a PSE is generally required to report payments made in settlement of payment card transactions or third-party network transactions. However, a PSE is not required to report payments made to a beneficial owner that is documented as foreign with an applicable Form W-8.

Recalcitrant account holder. A recalcitrant account holder includes an individual who fails to comply with the requests of an FFI for documentation and information for determining the U.S. or foreign status of the individual's account, including furnishing this Form W-8BEN when requested.

U.S. person. A U.S. person is defined in section 7701(a) (30) and includes an individual who is a citizen or resident of the United States. For purposes of chapter 4, a U.S. person is defined in Regulations section 1.1471-1(b) (141).

Withholding agent. Any person, U.S. or foreign, that has control, receipt, custody, disposal, or payment of U.S. source FDAP income subject to chapter 3 or 4 withholding is a withholding agent. The withholding agent may be an individual, corporation, partnership, trust, association, or any other entity, including (but not limited to) any foreign intermediary, foreign partnership, and U.S. branches of certain foreign banks and insurance companies.

For purposes of section 1446, the withholding agent is the partnership conducting the trade or business in the United States. For a publicly traded partnership, the withholding agent may be the partnership, a nominee holding an interest on behalf of a foreign person, or both. See Regulations sections 1.1446-1 through 1.1446-6.

Specific Instructions

Part I

Line 1. Enter your name. If you are a foreign individual who is the single owner of a disregarded entity that is not claiming treaty benefits as a hybrid entity, with respect to a payment, you should complete this form with your name and information. If the account to which a payment is made or credited is in the name of the disregarded entity, you should inform the withholding agent of this fact. This may be done by including the name and account number of the disregarded entity on line 7 (reference number) of the form. However, if the disregarded entity is claiming treaty benefits as a hybrid entity, it should complete Form W-8BEN-E instead of this Form W-8BEN.

Line 2. Enter your country of citizenship. If you are a dual citizen, enter the country where you are both a citizen and a resident at the time you complete this form. If you are not a resident in any country in which you have citizenship, enter the country where you were most recently a resident. However, if you are a U. S. citizen, you should not complete this form even if you hold citizenship in another jurisdiction. Instead, provide Form W-9.

Line 3. Your permanent residence address is the address in the country where you claim to be a resident for purposes of that country's income tax. If you are completing Form W-8BEN to claim a reduced rate of withholding under an income tax treaty, you must determine your residency in the manner required by the treaty. Do not show the address of a financial institution, a post office box, or an address used solely for mailing purposes. If you do not have a tax residence in any country, your permanent residence is where you normally reside.

If you reside in a country that does not use street addresses, you may enter a descriptive address on line 3. The address must accurately indicate your permanent residence in the manner used in your jurisdiction.

Line 4. Enter your mailing address only if it is different from the address you show on line 3.

Line 5. If you have a social security number (SSN), enter it here. To apply for an SSN, get Form SS-5 from a Social Security Administration (SSA) office or online at www.ssa.gov/forms/ss-5.pdf. If you are in the United States, you can call the SSA at 1-800-772-1213. Complete Form SS-5 and return it to the SSA.

If you do not have an SSN and are not eligible to get one, you can get an individual taxpayer identification number (ITIN). To apply for an ITIN, file Form W-7 with the IRS. It usually takes 4–6 weeks to get an ITIN. To claim certain treaty benefits, you must complete line 5 by submitting an SSN or ITIN, or line 6 by providing a foreign tax identification number (foreign TIN).



An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

A partner in a partnership conducting a trade or business in the United States will likely be allocated effectively connected taxable income. The partner is required to file a U.S. federal income tax return and must have a U.S. taxpayer identification number (TIN).

You must provide an SSN or TIN if you are:

- Claiming an exemption from withholding under section 871(f) for certain annuities received under qualified plans, or
- Submitting the form to a partnership that conducts a trade or business in the United States.

If you are claiming treaty benefits, you are generally required to provide an ITIN if you do not provide a tax identifying number issued to you by your jurisdiction of tax residence on line 6. However, an ITIN is not required to claim treaty benefits relating to:

- Dividends and interest from stocks and debt obligations that are actively traded;
- Dividends from any redeemable security issued by an investment company registered under the Investment Company Act of 1940 (mutual fund);
- Dividends, interest, or royalties from units of beneficial interest in a unit investment trust that are (or were upon issuance) publicly offered and are registered with the SEC under the Securities Act of 1933; and
- Income related to loans of any of the above securities.

Line 6. If you are providing this Form W-8BEN to document yourself as an account holder with respect to a financial account (as defined in Regulations section 1.1471-5(b)) that you hold at a U.S. office of a financial institution (including a U.S. branch of an FFI) and you receive U.S. source income reportable on Form 1042-S associated with this form, you must provide the TIN issued to you by your jurisdiction of tax residence identified on line 3 unless:

- You have not been issued a TIN (including if the jurisdiction does not issue TINs), or
- You are a resident of a U.S. possession.

If you are providing this form to document a financial account described above but you do not enter a TIN on line 6, and you are not a resident of a U.S. possession, you must provide the withholding agent with an explanation for why you have not been issued a TIN. For this purpose, an explanation is a statement that you are

not legally required to obtain a TIN in your jurisdiction of tax residence. The explanation may be written on line 6, in the margins of the form, or on a separate attached statement associated with the form. If you are writing the explanation on line 6, you may shorten it to "not legally required." Do not write "not applicable."

In addition, if you are not using this form to document a financial account described above, you may provide the TIN issued to you by your jurisdiction of tax residence on line 6 for purposes of claiming treaty benefits (rather than providing a U.S. TIN on line 5, if required).

Line 7. This line may be used by the filer of Form W-8BEN or by the withholding agent to whom it is provided to include any referencing information that is useful to the withholding agent in carrying out its obligations. For example, withholding agents who are required to associate the Form W-8BEN with a particular Form W-8IMY may want to use line 7 for a referencing number or code that will make the association clear. A beneficial owner can use line 7 to include the number of the account for which he or she is providing the form. A foreign single owner of a disregarded entity can use line 7 to inform the withholding agent that the account to which a payment is made or credited is in the name of the disregarded entity (see the instructions for line 1).

Line 8. If you are providing this Form W-8BEN to document yourself as an account holder with respect to a financial account as described above in line 6 that you hold with a U.S. office of a financial institution (including a U.S. branch of an FFI), provide your date of birth. Use the following format to input your information: MM-DD-YYYY. For example, if you were born on April 15, 1956, you would enter 04-15-1956.

Part II

Line 9. If you are claiming treaty benefits as a resident of a foreign country with which the United States has an income tax treaty for payments subject to withholding under chapter 3, identify the country where you claim to be a resident for income tax treaty purposes. For treaty purposes, a person is a resident of a treaty country if the person is a resident of that country under the terms of the treaty. A list of U.S. tax treaties is available at [IRS.gov/Individuals/International-Taxpayers/Tax-Treaties](https://www.irs.gov/Individuals/International-Taxpayers/Tax-Treaties).



CAUTION If you are related to the withholding agent within the meaning of section 267(b) or 707(b) and the aggregate amount subject to withholding received during the calendar year exceeds \$500,000, then you are generally required to file Form 8833, *Treaty-Based Return Position Disclosure Under Section 6114 or 7701(b)*, available at [IRS.gov/Form8833](https://www.irs.gov/Form8833). See the Instructions for Form 8833 for more information on the filing requirements.

Line 10. Line 10 must be used only if you are claiming treaty benefits that require that you meet conditions not covered by the representations you make on line 9 and Part III. For example, persons claiming treaty benefits on royalties must complete this line if the treaty contains different withholding rates for different types of royalties. However, this line should always be completed by foreign students and researchers claiming treaty benefits. See

Scholarship and fellowship grants, later, for more information.

This line is generally not applicable to treaty benefits under an interest or dividends (other than dividends subject to a preferential rate based on ownership) article of a treaty.

Nonresident alien who becomes a resident alien.

Generally, only a nonresident alien individual can use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause" which preserves or "saves" the right of each country to tax its own residents as if no tax treaty existed. Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes. The individual must use Form W-9 to claim the tax treaty benefit. See the instructions for Form W-9 for more information. Also see *Nonresident alien student or researcher who becomes a resident alien*, later, for an example.

Scholarship and fellowship grants. A nonresident alien student (including a trainee or business apprentice) or researcher who receives noncompensatory scholarship or fellowship income can use Form W-8BEN to claim benefits under a tax treaty that apply to reduce or eliminate U.S. tax on such income. No Form W-8BEN is required unless a treaty benefit is being claimed. A nonresident alien student or researcher who receives compensatory scholarship or fellowship income must use Form 8233, instead of Form W-8BEN, to claim any benefits of a tax treaty that apply to that income. The student or researcher must use Form W-4 for any part of such income for which he or she is not claiming a tax treaty withholding exemption. Do not use Form W-8BEN for compensatory scholarship or fellowship income. See *Compensation for Dependent Personal Services* in the Instructions for Form 8233.



TIP If you are a nonresident alien individual who received noncompensatory scholarship or fellowship income and personal services income (including compensatory scholarship or fellowship income) from the same withholding agent, you may use Form 8233 to claim a tax treaty withholding exemption for part or all of both types of income.

Completing lines 3 and 9. Most tax treaties that contain an article exempting scholarship or fellowship grant income from taxation require that the recipient be a resident of the other treaty country at the time of, or immediately prior to, entry into the United States. Thus, a student or researcher may claim the exemption even if he or she no longer has a permanent address in the other treaty country after entry into the United States. If this is the case, you can provide a U.S. address on line 3 and still be eligible for the exemption if all other conditions required by the tax treaty are met. You must also identify on line 9 the tax treaty country of which you were a resident at the time of, or immediately prior to, your entry into the United States.

Completing line 10. You must complete line 10 if you are a student or researcher claiming an exemption from

taxation on your noncompensatory scholarship or fellowship grant income under a tax treaty.

Nonresident alien student or researcher who becomes a resident alien. You must use Form W-9 to claim an exception to a saving clause. See *Nonresident alien who becomes a resident alien*, earlier, for a general explanation of saving clauses and exceptions to them.

Example. Article 20 of the United States-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first protocol to the United States-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would complete Form W-9.

Part III

Form W-8BEN must be signed and dated by the beneficial owner of the amount subject to withholding or the account holder of an FFI (or an agent with legal authority to act on the person's behalf). If Form W-8BEN is completed by an agent acting under a duly authorized power of attorney for the beneficial owner or account holder, the form must be accompanied by the power of attorney in proper form or a copy thereof specifically authorizing the agent to represent the principal in making, executing, and presenting the form. Form 2848 can be used for this purpose. The agent, as well as the beneficial owner or account holder, may incur liability for the penalties provided for an erroneous, false, or fraudulent form.

A withholding agent may allow you to provide this form with an electronic signature. The electronic signature must indicate that the form was electronically signed by a person authorized to do so (for example, with a time and date stamp and statement that the form has been electronically signed). Simply typing your name into the signature line is not an electronic signature.



CAUTION If any information on Form W-8BEN becomes incorrect, you must submit a new form within 30 days unless you are no longer an account holder of the requester that is an FFI and you will not receive a future payment with respect to the account.

Broker transactions or barter exchanges. Income from transactions with a broker or a barter exchange is

subject to reporting rules and backup withholding unless Form W-8BEN or a substitute form is filed to notify the broker or barter exchange that you are an exempt foreign person.

You are an exempt foreign person for a calendar year in which:

- You are a nonresident alien individual or a foreign corporation, partnership, estate, or trust;
- You are an individual who has not been, and does not plan to be, present in the United States for a total of 183 days or more during the calendar year; and
- You are neither engaged, nor plan to be engaged during the year, in a U.S. trade or business that has effectively connected gains from transactions with a broker or barter exchange.

Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated burden for business taxpayers filing this form is approved under OMB control number 1545-0123. The estimated burden for all other taxpayers who file this form is:

Recordkeeping, 2 hr., 52 min.; **Learning about the law or the form**, 2 hr., 05 min.; **Preparing the form**, 2 hr., 13 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can send us comments from [IRS.gov/FormComments](https://www.irs.gov/FormComments).

You can write to Internal Revenue Service, Tax Forms and Publications, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send Form W-8BEN to this office. Instead, give it to your withholding agent.

EXHIBIT 13

SECTION 352-eeee OF THE GENERAL BUSINESS LAW

§352-eeee. Conversions to cooperative or condominium ownership in the City of New York.

1. As used in this section, the following words and terms shall have the following meanings:

(a) “Plan.” Every offering statement or prospectus submitted to the department of law pursuant to section three hundred fifty-two-e of this article for the conversion of a building or group of buildings or development from residential rental status to cooperative or condominium ownership or other form of cooperative interest in realty, other than an offering statement or prospectus for such conversion pursuant to article two, eight or eleven of the private housing finance law.

(b) “Non-eviction plan.” A plan which may not be declared effective until written Agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family intend to occupy the unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and discriminatory repurchase agreements or other discriminatory inducements.

(c) “Eviction plan.” A plan which, pursuant to the provisions of this section, can result in the eviction of a non-purchasing tenant by reason of the tenant failing to purchase pursuant thereto, and which may not be declared effective until at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date, eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(d) “Purchaser under the plan.” A person who owns the shares allocated to a dwelling unit or who owns such dwelling unit itself.

(e) “Non-purchasing tenant.” A person who has not purchased under the plan and who is a tenant entitled to possession at the time the plan is declared effective or a person to whom a dwelling unit is rented subsequent to the effective date. A person who sublets a dwelling unit from a purchaser under the plan shall not be deemed a non-purchasing tenant.

(f) “Eligible senior citizens.” Non-purchasing tenants who are sixty-two years of age or older on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected, within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section, provided that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

(g) “Eligible disabled persons.” Non-purchasing tenants who have an impairment which results from anatomical, physiological or psychological conditions, other than addiction to alcohol, gambling or any controlled substance, which are demonstrable by medically acceptable clinical and laboratory diagnostic techniques, and which are expected to be permanent and which prevent the tenant from engaging in any substantial gainful employment on the date the attorney general has accepted the plan for filing, and the spouses of any such tenants on such date, and who have elected within sixty days of the date the attorney general has accepted the plan for filing, on forms promulgated by the attorney general and presented to such tenants by the offeror, to become non-purchasing tenants under the provisions of this section; provided, however, that if the disability first occurs after acceptance of the plan for filing, then such election may be made within sixty days following the onset of such disability unless during the period subsequent to sixty days following the acceptance of the plan for filing but prior to such election, the offeror accepts a written agreement to purchase the apartment from a bona fide purchaser; and provided further that such election shall not preclude any such tenant from subsequently purchasing the dwelling unit or the shares allocated thereto on the terms then offered to tenants in occupancy.

2. The attorney general shall refuse to issue a letter stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this chapter has been filed whenever it appears that the offering statement or prospectus offers for sale residential cooperative apartments or condominium units pursuant to a plan, unless:

(a) The plan provides that it will be deemed abandoned, void and of no effect if it does not become effective within fifteen months from the date of issue of the letter of the attorney general stating that the offering statement or prospectus has been accepted for filing and, in the event of such abandonment, no new plan for the conversion of such building or group of buildings or development shall be submitted to the attorney general for at least twelve months after such abandonment.

(b) The plan provides either that it is an eviction plan or that it is a non-eviction plan.

(c) The plan provides, if it is a non-eviction plan, as follows:

(i) The plan may not be declared effective until written purchase agreements have been executed and delivered for at least fifteen percent of all dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant. As to tenants who were in occupancy on the date a letter was issued by the attorney general accepting the plan for filing, the purchase agreement shall be executed and delivered pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducements.

(ii) No eviction proceedings will be commenced at any time against non-purchasing tenants for failure to purchase or any other reason applicable to expiration of tenancy, provided that such proceedings may be commenced for non-payment of rent, illegal use or occupancy of the premises, refusal of reasonable access to the owner or a similar breach by the non-purchasing tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto; and provided further that an owner of a unit or of the shares allocated thereto may not commence an action to recover possession of a dwelling unit from a non-purchasing tenant on the grounds that he seeks the dwelling unit for the use and occupancy of himself or his family.

(iii) Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to the conversion of the building or

group of buildings or development to cooperative or condominium ownership shall continue to be subject thereto.

(iv) The rentals of non-purchasing tenants who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and non-purchasing tenants who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing by the attorney general shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy. In determining comparability, consideration shall be given to such factors as building services, level of maintenance and operating expenses.

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

(vi) The rights granted under the plan to purchasers under the plan and to non-purchasing tenants may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been filed, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth day after such date and at least once every thirty days until the plan is declared effective or is abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of the dwelling units in the building or group of buildings or development subscribed for by bona fide tenants in occupancy or bona fide purchasers who represent that they intend that they or one or more members of their immediate family occupy the dwelling unit when it becomes vacant as of the date of such statement and, (2) before noon on the day such statement is filed, post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(d) The plan provides, if it is an eviction plan, as follows:

(i) The plan may not be declared effective unless at least fifty-one percent of the bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general (excluding, for the purposes of determining the number of bona fide tenants in occupancy on such date eligible senior citizens and eligible disabled persons) shall have executed and delivered written agreements to purchase under the plan pursuant to an offering made in good faith without fraud and with no discriminatory repurchase agreements or other discriminatory inducement.

(ii) No eviction proceedings will be commenced against a non-purchasing tenant for failure to purchase or any other reason applicable to expiration of tenancy until the later to occur of (1) the date which is the expiration date provided in such non-purchasing tenant's lease or rental agreement, and (2) the date which is three years after the date on which the plan is declared effective. Non-purchasing tenants who reside in dwelling units subject to government regulation as to rentals and continued occupancy prior to conversion shall continue to be subject thereto during the period of occupancy provided in this paragraph. Thereafter, if a tenant has not purchased, he may be removed by the owner of the dwelling unit or the shares allocated to such dwelling unit.

(iii) No eviction proceedings will be commenced, except as hereinafter provided, at any time against either eligible senior citizens or eligible disabled persons. The rentals of eligible senior citizens and eligible disabled persons who reside in dwelling units not subject to government regulation as to rentals and continued occupancy and eligible senior citizens and eligible disabled persons who reside in dwelling units with respect to which government regulation as to rentals and continued occupancy is eliminated or becomes inapplicable after the plan has been accepted for filing, shall not be subject to unconscionable increases beyond ordinary rentals for comparable apartments during the period of their occupancy considering, in determining comparability, such factors as building services, level of maintenance and operating expenses; provided that such proceedings may be commenced against such tenants for non-payment of rent, illegal use or occupancy of the premises, refusal or reasonable access to the owner or a similar breach by the tenant of his obligations to the owner of the dwelling unit or the shares allocated thereto.

(iv) Eligible senior citizens and eligible disabled persons who reside in dwelling units subject to government regulation as to rentals and continued occupancy shall continue to be subject thereto.

(v) The rights granted under the plan to eligible senior citizens and eligible disabled persons may not be abrogated or reduced notwithstanding any expiration of, or amendment to, this section.

(vi) Any offeror who disputes the election by a person to be an eligible senior citizen or an eligible disabled person must apply to the attorney general within thirty days of the receipt of the election forms for a determination by the attorney general of such person's eligibility. The attorney general shall within thirty days thereafter, issue his determination of eligibility. The foregoing shall, in the absence of fraud, be the sole method for determining a dispute as to whether a person is an eligible senior citizen or an eligible disabled person. The determination of the attorney general shall be reviewable only through a proceeding under article seventy-eight of the civil practice law and rules, which proceeding must be commenced within thirty days after such determination by the attorney general becomes final.

(vii) After the issuance of the letter from the attorney general stating that the offering statement or prospectus required in subdivision one of section three hundred fifty-two-e of this article has been accepted for filing, the offeror shall, on the thirtieth, sixtieth, eighty-eighth and ninetieth days after such date and at least once every thirty days until the plan is declared effective or abandoned, as the case may be, and on the second day before the expiration of any exclusive purchase period provided in a substantial amendment to the plan, (1) file with the attorney general a written statement, under oath, setting forth the percentage of bona fide tenants in occupancy of all dwelling units in the building or group of buildings or development on the date the offering statement or prospectus was accepted for filing by the attorney general who have executed and delivered written agreements to purchase under the plan as of the date of such statement, and (2) before noon on the day such statement is filed post a copy of such statement in a prominent place accessible to all tenants in each building covered by the plan.

(viii) If the plan is amended before it is declared effective to provide that it shall be a non-eviction plan, any person who has agreed to purchase under the plan prior to such amendment shall have a period of thirty days after receiving written notice of such amendment to revoke his agreement to purchase under the plan.

(ix) The tenants in occupancy on the date the attorney general accepts the plan for filing shall have the exclusive right to purchase their dwelling units or the shares allocated thereto

for ninety days after the plan is accepted for filing by the attorney general, during which time a tenant's dwelling unit shall not be shown to a third party unless he has, in writing, waived his right to purchase; subsequent to the expiration of such ninety day period, a tenant in occupancy of a dwelling unit who has not purchased shall be given the exclusive right for an additional period of six months from said expiration date to purchase said dwelling unit or the shares allocated thereto on the same terms and conditions as are contained in an executed contract to purchase said dwelling unit or shares entered into by a bona fide purchaser, such exclusive right to be exercisable within fifteen days from the date of mailing by registered mail of notice of the execution of a contract of sale together with a copy of said executed contract to said tenant.

(e) The attorney general finds that an excessive number of long-term vacancies did not exist on the date that the offering statement or prospectus was first submitted to the department of law. "Long-term vacancies" shall mean dwelling units not leased or occupied by bona fide tenants for more than five months prior to the date of such submission to the department of law. "Excessive" shall mean a vacancy rate in excess of the greater of (i) ten percent and (ii) a percentage that is double the normal average vacancy rate for the building or group of buildings or development for two years prior to the January preceding the date the offering statement or prospectus was first submitted to the department of law.

(f) The attorney general finds that, following the submission of the offering statement or prospectus to the department of law, each tenant in the building or group of buildings or development was provided with a written notice stating that such offering statement or prospectus has been submitted to the department of law for filing. Such notice shall be accompanied by a copy of the offering statement or prospectus and a statement that the statements submitted pursuant to subparagraph (vii) of paragraph (c) or subparagraph (vii) of paragraph (d) of this subdivision, whichever is applicable, will be available for inspection and copying at the office of the department of law where the submission was made and at the office of the offeror or a selling agent of the offeror. Such notice shall also be accompanied by a statement that tenants or their representatives may physically inspect the premises at any time subsequent to the submission of the plan to the department of law, during normal business hours, upon written request made by them to the offeror, provided such representatives are registered architects or professional engineers licensed to practice in the state of New York. Such notice shall be sent to each tenant in occupancy on the date the plan is first submitted to the department of law.

3. All dwelling units occupied by non-purchasing tenants shall be managed by the same managing agent who manages all other dwelling units in the building or group of buildings or development. Such managing agent shall provide to non-purchasing tenants all services and facilities required by law on a non-discriminatory basis. The offeror shall guarantee the obligation of the managing agent to provide all such services and facilities until such time as the offeror surrenders control to the board of directors or board of managers.

4. It shall be unlawful for any person to engage in any course of conduct, including, but not limited to, interruption or discontinuance of essential services, which substantially, interferes with or disturbs the comfort, repose, peace or quiet of any tenant in his use or occupancy of his dwelling unit or the facilities related thereto. The attorney general may apply to a court of competent jurisdiction for an order restraining such conduct and, if he deems it appropriate, an order restraining the owner from selling the shares allocated to the dwelling unit or the dwelling unit itself or from proceeding with the plan of conversion; provided that nothing contained herein shall be deemed to preclude the tenant from applying on his own behalf for similar relief.

5. Any local legislative body may adopt local laws and any agency, officer or public body may prescribe rules and regulations with respect to the continued occupancy by tenants of dwelling units

which are subject to regulation as to rentals and continued occupancy pursuant to law, provided that in the event that any such local law, rule or regulation shall be inconsistent with the provisions of this section, the provisions of this section shall control.

6. Any provision of a lease or other rental agreement which purports to waive a tenant's rights under this section or rules and regulations promulgated pursuant hereto shall be void as contrary to public policy.

7. The provisions of this section shall only be applicable in the city of New York.

EXHIBIT 14

RESERVE FUND LAW

LOCAL LAW 70

To amend the administrative code of the city of New York, in relation to the conversion of residential rental housing to cooperative or condominium ownership.

Be it enacted by the Council as follows:

Section 1. Legislative declaration The council finds that the protection of the health, safety and welfare of persons within the city who reside in residential buildings being converted from rental status to cooperative or condominium ownership requires that such persons be informed of the physical condition of such buildings and of any outstanding notices of code violations issued with respect to such buildings. The council further finds that for the health, safety and welfare of residents of the city and for the preservation and improvement of this substantial and increasing form of housing accommodation it is essential that funds be set aside for the purpose of making capital repairs, replacements and improvements to such buildings.

Section 2. Chapter fifty-one of the administrative code of the city of New York is amended by adding a new title YYYY to read as follows:

TITLE YYYY

COOPERATIVE AND CONDOMINIUM CONVERSIONS

§ YYYY51-1.0 Application.

The provisions of this title shall apply to conversions from rental to cooperative or condominium status of a building or a group of buildings or a development for which a plan must be filed with the state department of law pursuant to section three hundred fifty-two-eeee of the general business law

§ YYYY51-2.0 Definitions.

As used in this title the following words shall mean:

- a. "Building" - any building, group of buildings or development.
- b. "Total Price" -

(1) with respect to cooperative conversions, the number of all shares in the offering multiplied by the last price per share which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made;

(2) with respect to condominium conversions, the sum of the cost of all units in the offering at the last price which was offered to tenants in occupancy prior to the effective date of the plan regardless of number of sales made.

c. "Capital replacement" - a building-wide replacement of a major component of any of the following systems:

- (1) elevator;

- (2) heating, ventilation and air conditioning;
- (3) plumbing;
- (4) wiring;
- (5) windows;

or, a major structural replacement to the building; provided, however, that replacements made to cure code violations of record shall not be included.

- d. "Offeror" - the offeror, his nominees, assignees and successors in interest.

§YYYY51-3.0 Establishment of reserve fund.

a. Within thirty days after the closing of a conversion pursuant to an offering plan the offeror shall establish and transfer to the cooperative corporation or condominium board of managers, a reserve fund to be used exclusively for making capital repairs, replacements and improvements necessary for the health and safety of the residents of such buildings. Such reserve fund shall be exclusive of any other funds required to be reserved under the plan or applicable law or regulation of the state attorney general, except a fund for capital repairs, replacements and improvements substantially similar in purpose to and in an amount not less than the reserve fund mandated by this section. Such reserve fund also shall be exclusive of any working capital fund and shall not be subject to reduction for closing apportionments.

b. Such fund shall be established in an amount equal to either (i) three per cent of the total price or, (ii) (A) three per cent of the actual sales price of all cooperative shares or condominium units sold by the offeror at the time the plan is declared effective, provided, however, that if such amount is less than one per cent of the total price, then the fund shall be established as a minim of one per cent of the total price; plus (B) supplemental contributions to be made by the offeror at a rate of three per cent of the actual sales price of cooperative shares or condominium units for each unit or its allocable shares held by the offeror and sold to bona fide purchasers subsequent to the effective date of the plan and within 5 years of the closing of the conversion pursuant to such plan notwithstanding that the total amount contributed may exceed three per cent of the total price; and provided, further, that if five years from thirty days after the closing of the conversion pursuant to such plan the total contributions by the offeror to the fund are less than three per cent of the total price the offeror shall pay the difference between the amount contributed and three per cent of the total price. Supplemental contributions shall be made within 30 days of each sale.

c. The contributions required pursuant to this section may be made earlier or in an amount greater than so provided. An offeror may claim and receive credit against the mandatory initial contribution to the reserve fund for the actual cost of capital replacements which he has begun after the plan is submitted for filing to the state department of law and before the plan is declared effective; provided, however, that any such replacements must be set forth in the plan together with their actual or estimated costs and further provided, that such credit shall not exceed the lesser of the actual cost of the capital replacements or one per cent of the total price.

d. Any building, construction of which was completed within three years prior to the closing of a conversion pursuant to an offering plan, shall be exempt from the requirements of this section.

§ YYYY51-4.0 Report on status of reserve fund.

The cooperative corporation or condominium board of managers shall report to shareholders and unit owners on a semi-annual basis with respect to all deposits into and withdrawals from the reserve fund mandated by section YYYY51-3.0.

§ YYYY51-5.0 Posting of violations.

The offeror, not later than the thirtieth day following the acceptance of a plan for filing by the state department of law pursuant to section three hundred fifty-two-eeee of the general business law and until the closing of the conversion pursuant to such plan, shall post and maintain in a prominent place, accessible to all tenants in each building covered by the plan, a listing of all violations of record against such buildings as determined by the department of buildings and the department of housing preservation and development. All newly issued violations shall be posted within forty-eight hours of their issuance and maintained as described above. The offeror may satisfy the requirements of this section by designating an agent on the premises with whom such listing shall be made available for inspection by the tenants.

§ YYYY51-6.0 Report on condition of premises.

Where, pursuant to law or regulation of the state attorney general, an offeror is required to file a report with the state department of law describing the condition of the physical aspects of the premises to be converted and the surrounding neighborhood, a copy of such report shall be submitted simultaneously to the commissioner of buildings.

§ YYYY51-7.0 No waiver of rights.

Any provision purporting to waive the provisions of this title in any contract to purchase or agreement between an offeror and the cooperative corporation or the condominium board of managers pursuant to a conversion plan shall be void as against public policy.

§ YYYY51-8.0 Criminal and civil penalties; enforcement.

a. Except as otherwise provided in subdivision b of this section, any person who knowingly violates or assists in the violation of any section of this title shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than one hundred nor more than one thousand dollars. Except as otherwise provided in subdivision b of this section, any person who violates or assists in the violation of any section of this title shall be subject to a civil penalty of one hundred dollars per day per unit for each day that a building is not in compliance with the provisions of such sections; provided, however, that such civil penalty shall not exceed one thousand dollars per unit.

b. Any person who knowingly violates or assists in the violation of section YYYY 51-3.0 shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine not more than two times the amount required to be reserved by section YYYY 51-3.0 which was not so reserved. Any person who violates or assists in the violation of section YYYY 51-3.0 shall also be subject to a civil penalty of one thousand dollars per day for each day that the reserve fund required by section YYYY 51-3.0 is not established; provided, however, that such civil penalty shall not exceed the amount required to be reserved pursuant to section YYYY 51-3.0.

c. In addition, any other action or proceeding in any court of competent jurisdiction that may be appropriate or necessary for the enforcement of the provisions of this title may be brought in the

name of the city, including actions to secure permanent injunctions enjoining any acts or practices which constitute a violation of any provision of this title, mandating compliance with the provisions of this title or for such other relief as may be appropriate. In any such action or proceeding the city may apply to any court of competent jurisdiction, or to a judge or justice thereof, for a temporary restraining order or preliminary injunction enjoining and restraining all persons from violating any provision of this title, mandating compliance with the provisions of this title, or for such other relief as may be appropriate, until the hearing and determination of such action or proceeding and the entry of final judgment or order therein. The court, or judge or justice thereof, to whom such application is made, is hereby authorized forthwith to make any or all of the orders above specified, as may be required in such application, with or without notice, and to make such other or further orders or directions as may be necessary to render the same effectual. No undertaking shall be required as a condition of the granting or issuing of such order, or by reason thereof.

d. Nothing contained in this section shall impair any rights, remedies or causes of action accrued or accruing to purchasers of cooperative shares or condominium units.

e. The department of housing preservation and development is empowered to enforce the provisions of this title.

Section 3. If any provision of this local law or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of this local law and the applicability of such provision to any other person or circumstances shall not be affected thereby.

Section 4. This local law shall take effect February first nineteen hundred eighty-three and shall apply to all plans not yet accepted for filing by the state department of law pursuant to section three hundred fifty-two eeee of the general business law as of that date.

EXHIBIT 15

RPL SECTION 339-kk

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON- OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT THE BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

EXHIBIT 16

SPECIMEN TITLE POLICY



Policy No.: NY160395

OWNER'S POLICY OF TITLE INSURANCE

Issued by
Commonwealth Land Title Insurance Company

SPECIMEN

Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 18 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, COMMONWEALTH LAND TITLE INSURANCE COMPANY, A NEBRASKA CORPORATION (the "Company") insures, as of Date of Policy and, to the extent stated in Covered Risks 9 and 10, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - (c) Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land. The term "encroachment" includes encroachments of existing improvements located on the Land onto adjoining land, and encroachments onto the Land of existing improvements located on adjoining land.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to-
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;



- (c) the subdivision of land; or
- (d) environmental protection

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. Title being vested other than as stated in Schedule A or being defective
 - (a) as a result of the avoidance in whole or in part, or from a court order providing an alternative remedy, of a transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction vesting Title as shown in Schedule A because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the instrument of transfer vesting Title as shown in Schedule A constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - (i) to be timely, or
 - (ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed with the facsimile signatures of its President and Secretary and sealed as required by its By-Laws.

**COMMONWEALTH LAND TITLE INSURANCE
COMPANY**

Issued by:



By:

Raymond R. Quirk

Raymond R. Quirk
President

By:

Michael L. Gravelle

Michael L. Gravelle
Secretary

Countersigned: _____
Authorized Signature



EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;
 or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b), or decreased by Sections 11 and 12 of these Conditions.

(b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.

(c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.

(d) "Insured": The Insured named in Schedule A.

(i) the term "Insured" also includes

(A) successors to the Title of the Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;

(B) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;

(C) successors to an Insured by its conversion to another kind of Entity;

(D) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title

(1) if the stock, shares, memberships, or other equity

interests of the grantee are wholly-owned by the named Insured,

(2) if the grantee wholly owns the named Insured,

(3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity, or

(4) if the grantee is a trustee or beneficiary of a trust created by a written instrument established by the Insured named in Schedule A for estate planning purposes.

(ii) With regard to (A), (B), (C), and (D) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured.

(e) "Insured Claimant": An Insured claiming loss or damage.

(f) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.

(g) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.

(h) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.

(i) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.

(j) "Title": The estate or interest described in Schedule A.

(k) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured hereunder of any claim of title or interest that is adverse to the Title, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title, as insured, is rejected as



CONDITIONS CONTINUED

Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

(a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.

(b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.

(c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

(a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

(b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured

Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to this claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) to Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in this subsection, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

(b) to Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.

(i) To pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or

(ii) To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

(a) The extent of liability of the Company for loss or damage under this policy shall not exceed the lesser of

(i) the Amount of Insurance; or

(ii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy.

(b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title, as insured,

(i) the Amount of Insurance shall be increased by 10%, and

(ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.

(c) In addition to the extent of liability under (a) and (b), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.

(b) In the event of any litigation, including litigation by



CONDITIONS CONTINUED

the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title, as insured.

(c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance shall be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after Date of Policy and which is a charge or lien on the Title, and the amount so paid shall be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

13. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

(a) Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.

If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.

(b) The Company's right of subrogation includes the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights.

14. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy.

All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage that arises out of the status of the Title or by any action asserting such claim shall be restricted to this policy.

(c) Any amendment or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.

(d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

16. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

17. CHOICE OF LAW; FORUM

(a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located. Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

(b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

18. NOTICES, WHERE SENT

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at:

Commonwealth Land Title Insurance Company
National Claims Administration
PO Box 45023
Jacksonville, Florida 32232-5023.



**COMMONWEALTH
LAND TITLE
INSURANCE
COMPANY**

SPECIMEN



Commonwealth Land Title Insurance Company
P.O. Box 45023, Jacksonville, Florida 32232-5023



SCHEDULE A SPECIMEN

Amount of Insurance: \$ _____

Policy/Title No. NY160395

Date of Policy: _____

1. Name of Insured: _____

2. The estate or interest in the land which is covered by this policy is:

Fee Simple

3. Title to the estate or interest in the land is vested in the Insured by means of:

Deed made by 12 Realty Associates LLC -to- _____, dated _____ and recorded on _____ under CRFN _____.

4. The land referred to in this policy is described on the annexed schedule.

Note: This Pro-forma Policy: (i) is provided at the request of the proposed insured; and (ii) presumes satisfaction of all requirements pertinent to the transaction as set forth in the commitment and any revisions thereto. The terms of the title insurance commitment as revised control. This pro-forma merely provides a sample to the proposed insured as to what will appear within the policy if all requirements are met. This pro-forma is not an insurance policy.

Commonwealth Land Title Insurance Company

Countersigned: _____
Authorized Officer or Agent

Valid Only if Schedule B and Cover Are Attached

ALTA Owner's Policy (6-17-06)

Date Printed June 28, 2016

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SCHEDULE A - ITEM 4

The Condominium Unit (the "Unit") in the Building known as The Crown 12 Condominium, located at and known as and by street number 12-34 Crown Street, Brooklyn, New York, designated and described as Unit No.

_____ in the Declaration establishing a plan for condominium ownership of said Building and the land upon which it is situate (the "Land") under Article 9-B of the Real Property Law of the State of New York, dated _____ and recorded _____ in the Office of the Register of the City of New York, County of Kings under CRFN _____, said Unit also being designated as Tax Lot _____ in Block 1190 of Section 4 of the Borough of Brooklyn, on the Tax Map of the Real Property Assessment Department of the City of New York and on the Floor Plans of the said Building filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____ and also filed in the City Register's Office on _____ as Condominium Map No. CRFN _____.

TOGETHER with an undivided _____ percent interest in Common Elements of the Condominium as described in the Declaration.

The land upon which the Building containing the Unit is situate is described as follows:

ALL that certain plot, piece or parcel of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

BEGINNING at a point on the southerly side of Crown Street distant 96 feet 4 inches easterly from the corner formed by the intersection of the southerly side of Crown Street with the easterly side of Washington Avenue;

RUNNING THENCE easterly along the southerly side of Crown Street 238 feet 5 inches;

THENCE southerly parallel with Franklin Avenue 100 feet;

THENCE westerly parallel with Crown Street 181 feet 3-3/4 inches;

THENCE northerly parallel with Washington Avenue 6 feet 4-1/8 inches;

THENCE westerly parallel with Crown Street 14 feet 5-3/8 inches to the easterly side of Lot 47 on Map of 64 Lots in the Ninth ward of the City of Brooklyn belonging to the late Mary Johnson and others, Brooklyn, June 1, 1873, filed in the office of the Register of the County of Kings on 7/3/1873 as Map No. 918; and

THENCE northerly in a straight line nearly parallel with Washington Avenue 102 feet 4-1/2 inches to the southerly side of Crown Street to the point or place of BEGINNING.



Policy/Title No. NY160395

SCHEDULE B
Exceptions from Coverage

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of the following:

SPECIMEN

1. Any state of facts which an accurate survey of the building and the unit would show, but policy insures that any encroachments by the Insured Unit on any adjoining Unit or on common areas may remain undisturbed as long as it shall stand.
2. Terms, covenants and conditions set forth in the Declaration of Condominium and By-Laws dated _____ and recorded on _____ under CRFN _____, but policy insures against loss or damage occasioned by the premises not being a part of a Condominium validly created pursuant to Article 9B of the Real Property Law.
3. Unit Power of Attorney made by _____ to the Board of Managers of The Crown 12 Condominium, dated _____ and recorded on _____ under CRFN _____.





Policy/Title No. NY160395

COMMONWEALTH LAND TITLE INSURANCE COMPANY

STANDARD NEW YORK ENDORSEMENT
(OWNER'S POLICY)

SPECIMEN

Attached to and made a part of Policy No. NY160395

1. The following is added as a Covered Risk:
 - "11. Any statutory lien arising under Article 2 of the New York Lien Law for services, labor or materials furnished prior to the date hereof, and which has now gained or which may hereafter gain priority over the estate or interest of the insured as shown in Schedule A of this policy."
2. Exclusion Number 5 is deleted, and the following is substituted:
 5. Any lien on the Title for real estate taxes, assessments, water charges or sewer rents imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown on Schedule A.

This endorsement is issued as part of the policy. Except as it expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsements, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance. To the extent a provision of the policy or a previous endorsement is inconsistent with an express provision of this endorsement, this endorsement controls. Otherwise, this endorsement is subject to all of the terms and provisions of the policy and of any prior endorsements.

COMMONWEALTH LAND TITLE INSURANCE COMPANY

Dated:

Countersigned:



By:

Raymond R. Quirk
Raymond R. Quirk
President

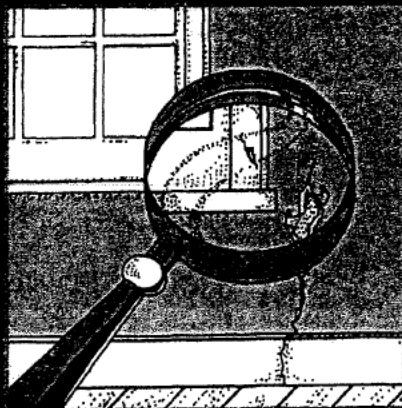
By:

Michael L. Gravelle
Michael L. Gravelle
Secretary

 Authorized Signatory

EXHIBIT 17

LEAD BASED PAINT BOOKLET



Protect Your Family From Lead In Your Home



United States
Environmental
Protection Agency



United States
Consumer Product
Safety Commission



United States
Department of Housing
and Urban Development

U.S. EPA Washington DC 20460
U.S. CPSC Washington DC 20207
U.S. HUD Washington DC 20410

EPA747-K-99-001
September 2001

Are You Planning To Buy, Rent, or Renovate a Home Built Before 1978?

Many houses and apartments built before 1978 have paint that contains high levels of lead (called lead-based paint). Lead from paint, chips, and dust can pose serious health hazards if not taken care of properly. Federal law requires that individuals receive certain information before renting, buying, or renovating pre-1978 housing:



LANDLORDS have to disclose known information on lead-based paint and lead-based paint hazards before leases take effect. Leases must include a disclosure form about lead-based paint.



SELLERS have to disclose known information on lead-based paint and lead-based paint hazards before selling a house. Sales contracts must include a disclosure form about lead-based paint. Buyers have up to 10 days to check for lead.



RENOVATORS have to give you this pamphlet before starting work.

IF YOU WANT MORE INFORMATION on these requirements, call the National Lead Information Center at **1-800-424-LEAD (424-5323)**.

This document is in the public domain. It may be reproduced by an individual or organization without permission. Information provided in this booklet is based upon current scientific and technical understanding of the issues presented and is reflective of the jurisdictional boundaries established by the statutes governing the co-authoring agencies. Following the advice given will not necessarily provide complete protection in all situations or against all health hazards that can be caused by lead exposure.

IMPORTANT!

Lead From Paint, Dust, and Soil Can Be Dangerous If Not Managed Properly

- FACT:** Lead exposure can harm young children and babies even before they are born.
- FACT:** Even children who seem healthy can have high levels of lead in their bodies.
- FACT:** People can get lead in their bodies by breathing or swallowing lead dust, or by eating soil or paint chips containing lead.
- FACT:** People have many options for reducing lead hazards. In most cases, lead-based paint that is in good condition is not a hazard.
- FACT:** Removing lead-based paint improperly can increase the danger to your family.

If you think your home might have lead hazards, read this pamphlet to learn some simple steps to protect your family.

Lead Gets in the Body in Many Ways

Childhood lead poisoning remains a major environmental health problem in the U.S.

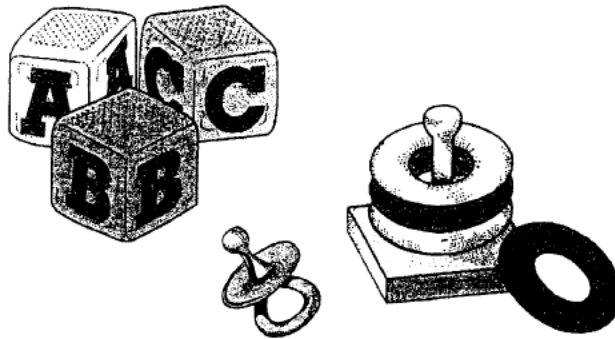
Even children who appear healthy can have dangerous levels of lead in their bodies.

People can get lead in their body if they:

- ◆ Breathe in lead dust (especially during renovations that disturb painted surfaces).
- ◆ Put their hands or other objects covered with lead dust in their mouths.
- ◆ Eat paint chips or soil that contains lead.

Lead is even more dangerous to children than adults because:

- ◆ Children's brains and nervous systems are more sensitive to the damaging effects of lead.
- ◆ Children's growing bodies absorb more lead.
- ◆ Babies and young children often put their hands and other objects in their mouths. These objects can have lead dust on them.



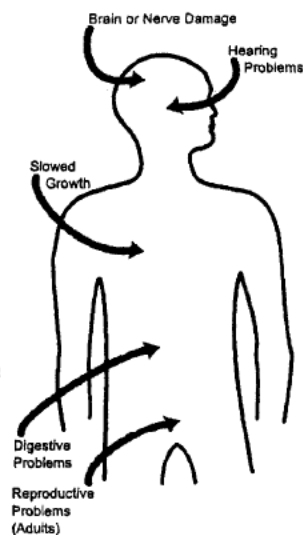
Lead's Effects

If not detected early, children with high levels of lead in their bodies can suffer from:

- ◆ Damage to the brain and nervous system
- ◆ Behavior and learning problems (such as hyperactivity)
- ◆ Slowed growth
- ◆ Hearing problems
- ◆ Headaches

Lead is also harmful to adults. Adults can suffer from:

- ◆ Difficulties during pregnancy
- ◆ Other reproductive problems (in both men and women)
- ◆ High blood pressure
- ◆ Digestive problems
- ◆ Nerve disorders
- ◆ Memory and concentration problems
- ◆ Muscle and joint pain



***Lead affects
the body in
many ways.***

Where Lead-Based Paint Is Found

In general, the older your home, the more likely it has lead-based paint.

Many homes built before 1978 have lead-based paint. The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found:

- ◆ In homes in the city, country, or suburbs.
- ◆ In apartments, single-family homes, and both private and public housing.
- ◆ Inside *and* outside of the house.
- ◆ In soil around a home. (Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars.)

Checking Your Family for Lead

Get your children and home tested if you think your home has high levels of lead.

To reduce your child's exposure to lead, get your child checked, have your home tested (especially if your home has paint in poor condition and was built before 1978), and fix any hazards you may have. Children's blood lead levels tend to increase rapidly from 6 to 12 months of age, and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are usually recommended for:

- ◆ Children at ages 1 and 2.
- ◆ Children or other family members who have been exposed to high levels of lead.
- ◆ Children who should be tested under your state or local health screening plan.

Your doctor can explain what the test results mean and if more testing will be needed.

Identifying Lead Hazards

Lead-based paint is usually not a hazard if it is in good condition, and it is not on an impact or friction surface, like a window. It is defined by the federal government as paint with lead levels greater than or equal to 1.0 milligram per square centimeter, or more than 0.5% by weight.

Deteriorating lead-based paint (peeling, chipping, chalking, cracking or damaged) is a hazard and needs immediate attention. It may also be a hazard when found on surfaces that children can chew or that get a lot of wear-and-tear, such as:

- ◆ Windows and window sills.
- ◆ Doors and door frames.
- ◆ Stairs, railings, banisters, and porches.

Lead dust can form when lead-based paint is dry scraped, dry sanded, or heated. Dust also forms when painted surfaces bump or rub together. Lead chips and dust can get on surfaces and objects that people touch. Settled lead dust can re-enter the air when people vacuum, sweep, or walk through it. The following two federal standards have been set for lead hazards in dust:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) and higher for floors, including carpeted floors.
- ◆ 250 $\mu\text{g}/\text{ft}^2$ and higher for interior window sills.

Lead in soil can be a hazard when children play in bare soil or when people bring soil into the house on their shoes. The following two federal standards have been set for lead hazards in residential soil:

- ◆ 400 parts per million (ppm) and higher in play areas of bare soil.
- ◆ 1,200 ppm (average) and higher in bare soil in the remainder of the yard.

The only way to find out if paint, dust and soil lead hazards exist is to test for them. The next page describes the most common methods used.

Lead from paint chips, which you can see, and lead dust, which you can't always see, can both be serious hazards.

Checking Your Home for Lead

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

You can get your home checked for lead in one of two ways, or both:

- ◆ A paint **inspection** tells you the lead content of every different type of painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it.
- ◆ A **risk assessment** tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Hire a trained, certified professional who will use a range of reliable methods when checking your home, such as:

- ◆ Visual inspection of paint condition and location.
- ◆ A portable x-ray fluorescence (XRF) machine.
- ◆ Lab tests of paint, dust, and soil samples.



There are standards in place to ensure the work is done safely, reliably, and effectively. Contact your local lead poisoning prevention program for more information, or call **1-800-424-LEAD** for a list of contacts in your area.

Home test kits for lead are available, but may not always be accurate. Consumers should not rely on these tests before doing renovations or to assure safety.

What You Can Do Now To Protect Your Family

If you suspect that your house has lead hazards, you can take some immediate steps to reduce your family's risk:

- ◆ If you rent, notify your landlord of peeling or chipping paint.
- ◆ Clean up paint chips immediately.
- ◆ Clean floors, window frames, window sills, and other surfaces weekly. Use a mop or sponge with warm water and a general all-purpose cleaner or a cleaner made specifically for lead. REMEMBER: NEVER MIX AMMONIA AND BLEACH PRODUCTS TOGETHER SINCE THEY CAN FORM A DANGEROUS GAS.
- ◆ Thoroughly rinse sponges and mop heads after cleaning dirty or dusty areas.
- ◆ Wash children's hands often, especially before they eat and before nap time and bed time.
- ◆ Keep play areas clean. Wash bottles, pacifiers, toys, and stuffed animals regularly.
- ◆ Keep children from chewing window sills or other painted surfaces.
- ◆ Clean or remove shoes before entering your home to avoid tracking in lead from soil.
- ◆ Make sure children eat nutritious, low-fat meals high in iron and calcium, such as spinach and dairy products. Children with good diets absorb less lead.



Reducing Lead Hazards In The Home

Removing lead improperly can increase the hazard to your family by spreading even more lead dust around the house.

Always use a professional who is trained to remove lead hazards safely.



In addition to day-to-day cleaning and good nutrition:

- ◆ You can **temporarily** reduce lead hazards by taking actions such as repairing damaged painted surfaces and planting grass to cover soil with high lead levels. These actions (called "interim controls") are not permanent solutions and will need ongoing attention.
- ◆ To **permanently** remove lead hazards, you should hire a certified lead "abatement" contractor. Abatement (or permanent hazard elimination) methods include removing, sealing, or enclosing lead-based paint with special materials. Just painting over the hazard with regular paint is not permanent removal.

Always hire a person with special training for correcting lead problems—someone who knows how to do this work safely and has the proper equipment to clean up thoroughly. Certified contractors will employ qualified workers and follow strict safety rules as set by their state or by the federal government.

Once the work is completed, dust cleanup activities must be repeated until testing indicates that lead dust levels are below the following:

- ◆ 40 micrograms per square foot ($\mu\text{g}/\text{ft}^2$) for floors, including carpeted floors;
- ◆ 250 $\mu\text{g}/\text{ft}^2$ for interior windows sills; and
- ◆ 400 $\mu\text{g}/\text{ft}^2$ for window troughs.

Call your local agency (see page 11) for help with locating certified contractors in your area and to see if financial assistance is available.

Remodeling or Renovating a Home With Lead-Based Paint

Take precautions before your contractor or you begin remodeling or renovating anything that disturbs painted surfaces (such as scraping off paint or tearing out walls):

- ◆ **Have the area tested for lead-based paint.**
- ◆ **Do not use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper** to remove lead-based paint. These actions create large amounts of lead dust and fumes. Lead dust can remain in your home long after the work is done.
- ◆ **Temporarily move your family** (especially children and pregnant women) out of the apartment or house until the work is done and the area is properly cleaned. If you can't move your family, at least completely seal off the work area.
- ◆ **Follow other safety measures to reduce lead hazards.** You can find out about other safety measures by calling 1-800-424-LEAD. Ask for the brochure "Reducing Lead Hazards When Remodeling Your Home." This brochure explains what to do before, during, and after renovations.

If you have already completed renovations or remodeling that could have released lead-based paint or dust, get your young children tested and follow the steps outlined on page 7 of this brochure.



If not conducted properly, certain types of renovations can release lead from paint and dust into the air.



Other Sources of Lead



While paint, dust, and soil are the most common lead hazards, other lead sources also exist.

◆ **Drinking water.** Your home might have plumbing with lead or lead solder. Call your local health department or water supplier to find out about testing your water. You cannot see, smell, or taste lead, and boiling your water will not get rid of lead. If you think your plumbing might have lead in it:

- Use only cold water for drinking and cooking.
- Run water for 15 to 30 seconds before drinking it, especially if you have not used your water for a few hours.

◆ **The job.** If you work with lead, you could bring it home on your hands or clothes. Shower and change clothes before coming home. Launder your work clothes separately from the rest of your family's clothes.



◆ **Old painted toys and furniture.**

◆ **Food and liquids stored in lead crystal or lead-glazed pottery or porcelain.**

◆ **Lead smelters** or other industries that release lead into the air.

◆ **Hobbies** that use lead, such as making pottery or stained glass, or refinishing furniture.

◆ **Folk remedies** that contain lead, such as "greta" and "azarcon" used to treat an upset stomach.



For More Information

The National Lead Information Center

Call **1-800-424-LEAD (424-5323)** to learn how to protect children from lead poisoning and for other information on lead hazards. To access lead information via the web, visit **www.epa.gov/lead** and **www.hud.gov/offices/lead/**.

For the hearing impaired, call the Federal Information Relay Service at **1-800-877-8339** and ask for the National Lead Information Center at **1-800-424-LEAD**.

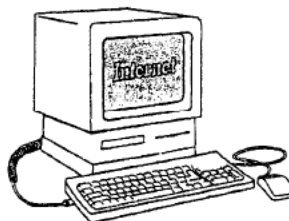


EPA's Safe Drinking Water Hotline

Call **1-800-426-4791** for information about lead in drinking water.

Consumer Product Safety Commission (CPSC) Hotline

To request information on lead in consumer products, or to report an unsafe consumer product or a product-related injury call **1-800-638-2772**, or visit CPSC's website at: **www.cpsc.gov**.



Health and Environmental Agencies

Some cities, states, and tribes have their own rules for lead-based paint activities. Check with your local agency to see which laws apply to you. Most agencies can also provide information on finding a lead abatement firm in your area, and on possible sources of financial aid for reducing lead hazards. Receive up-to-date address and phone information for your local contacts on the Internet at **www.epa.gov/lead** or contact the National Lead Information Center at **1-800-424-LEAD**.

EPA Regional Offices

Your Regional EPA Office can provide further information regarding regulations and lead protection programs.

EPA Regional Offices

Region 1 (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, Vermont)

Regional Lead Contact
U.S. EPA Region 1
Suite 1100 (CPT)
One Congress Street
Boston, MA 02114-2023
(888) 372-7341

Region 2 (New Jersey, New York, Puerto Rico, Virgin Islands)

Regional Lead Contact
U.S. EPA Region 2
2890 Woodbridge Avenue
Building 209, Mail Stop 225
Edison, NJ 08837-3679
(732) 321-6671

Region 3 (Delaware, Maryland, Pennsylvania, Virginia, Washington DC, West Virginia)

Regional Lead Contact
U.S. EPA Region 3 (3WC33)
1650 Arch Street
Philadelphia, PA 19103
(215) 814-5000

Region 4 (Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, Tennessee)

Regional Lead Contact
U.S. EPA Region 4
61 Forsyth Street, SW
Atlanta, GA 30303
(404) 562-8998

Region 5 (Illinois, Indiana, Michigan, Minnesota, Ohio, Wisconsin)

Regional Lead Contact
U.S. EPA Region 5 (DT-8)
77 West Jackson Boulevard
Chicago, IL 60604-3666
(312) 886-6003

Region 6 (Arkansas, Louisiana, New Mexico, Oklahoma, Texas)

Regional Lead Contact
U.S. EPA Region 6
1445 Ross Avenue, 12th Floor
Dallas, TX 75202-2733
(214) 665-7577

Region 7 (Iowa, Kansas, Missouri, Nebraska)

Regional Lead Contact
U.S. EPA Region 7
(ARTD-RALI)
901 N. 5th Street
Kansas City, KS 66101
(913) 551-7020

Region 8 (Colorado, Montana, North Dakota, South Dakota, Utah, Wyoming)

Regional Lead Contact
U.S. EPA Region 8
999 18th Street, Suite 500
Denver, CO 80202-2466
(303) 312-6021

Region 9 (Arizona, California, Hawaii, Nevada)

Regional Lead Contact
U.S. Region 9
75 Hawthorne Street
San Francisco, CA 94105
(415) 947-4164

Region 10 (Alaska, Idaho, Oregon, Washington)

Regional Lead Contact
U.S. EPA Region 10
Toxics Section WCM-128
1200 Sixth Avenue
Seattle, WA 98101-1128
(206) 553-1985

CPSC Regional Offices

Your Regional CPSC Office can provide further information regarding regulations and consumer product safety.

Eastern Regional Center
Consumer Product Safety Commission
201 Varick Street, Room 903
New York, NY 10014
(212) 620-4120

Western Regional Center
Consumer Product Safety Commission
1301 Clay Street, Suite 610-N
Oakland, CA 94612
(510) 637-4050

Central Regional Center
Consumer Product Safety Commission
230 South Dearborn Street, Room 2944
Chicago, IL 60604
(312) 353-8260

HUD Lead Office

Please contact HUD's Office of Healthy Homes and Lead Hazard Control for information on lead regulations, outreach efforts, and lead hazard control and research grant programs.

U.S. Department of Housing and Urban Development
Office of Healthy Homes and Lead Hazard Control
451 Seventh Street, SW, P-3206
Washington, DC 20410
(202) 755-1785

Simple Steps To Protect Your Family From Lead Hazards

If you think your home has high levels of lead:

- ◆ Get your young children tested for lead, even if they seem healthy.
- ◆ Wash children's hands, bottles, pacifiers, and toys often.
- ◆ Make sure children eat healthy, low-fat foods.
- ◆ Get your home checked for lead hazards.
- ◆ Regularly clean floors, window sills, and other surfaces.
- ◆ Wipe soil off shoes before entering house.
- ◆ Talk to your landlord about fixing surfaces with peeling or chipping paint.
- ◆ Take precautions to avoid exposure to lead dust when remodeling or renovating (call 1-800-424-LEAD for guidelines).
- ◆ Don't use a belt-sander, propane torch, heat gun, dry scraper, or dry sandpaper on painted surfaces that may contain lead.
- ◆ Don't try to remove lead-based paint yourself.



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