
CONDOMINIUM OFFERING PLAN
For
THE HIGHLINE CONDOMINIUM
781 EAST 9TH STREET
BROOKLYN, NEW YORK 11230

13 Residential Units	\$11,287,000.00
7 Parking Units	\$280,000.00
Total Offering Price	\$11,567,000.00

SPONSOR AND SELLING AGENT:

783 E 9th LLC
Sasson Mahgerefteh
Menashe Mahgerefteh
175 Great Neck Road, Suite 309
Great Neck, New York 11021

Date of Acceptance for Filing: _____

This Offering Plan May Not Be Used After _____ Unless Extended By Amendment.

SEE PAGE 1 FOR SPECIAL RISKS TO PURCHASERS

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT, RATHER THAN SELL UNITS AFTER CONSUMMATION OF THE OFFERING PLAN, THIS PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR (SEE SPECIAL RISKS SECTION OF THE PLAN).

PURCHASERS FOR THEIR OWN OCCUPANCY MAY NEVER GAIN CONTROL OF THE BOARD OF MANAGERS UNDER THE TERMS OF THIS PLAN (SEE SPECIAL RISKS SECTION OF THE PLAN)

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SPECIAL RISKS

1. Sponsor shall provide the following kitchen fixtures, appliances and equipment: (a) wood flooring grade 1 oak or similar on all floors with sound insulation layer for impact noise reduction, the paint for the walls and ceiling of the units shall be Benjamin Moore or similar, cabinets shall be laminated wood or equivalent; (b) Gerber 25" sink or equivalent with countertops from formica or equivalent; (c) one, four burner gas range manufactured by Frigidare, 30" or equivalent. Dishwashers and additional kitchen appliances will be the responsibility of the Unit Owners at an additional cost. Each residential unit will be provided with a laundry area and vent-less stackable washer/dryer hookups only. Homeowners will be responsible for supplying and maintaining each laundry machine. Sponsor will include a refrigerator in the purchase price of each unit. Sponsor will not warrant any of the materials or workmanship within each unit or the common areas.
2. The Sponsor has applied to obtain a partial exemption from real estate taxes with respect to the Property pursuant to Section 421-a of the New York Real Property Tax Law. A preliminary certificate of eligibility was issued on October 19, 2016. However, no warranty is or can be made that the anticipated benefits will be obtained. In the event that benefits are not obtained real estate taxes for each individual Unit will be higher than projected, resulting in an additional expense to Unit Owners. There are other requirements pursuant to Section 421-a which may or may not apply to this condominium. Please see the section entitled "Real Estate Taxes" in Part I of this Plan for more information. Sponsor will use its best efforts to obtain 421-a tax benefits. Purchasers will not be required to reimburse Sponsor for costs associated with the tax benefit application but Purchasers will not be entitled to rescission in the event that the benefits are not obtained. The Property is not located within a geographic exclusion area as designated by New York Real Property Tax Law Section 421-a[7](a)(ii). The proposed building is exempt from prevailing wage requirements pursuant to Section 421-a[8](c)(i) because it contains fewer than fifty units. Sponsor intends for the building to be exempt from the statutory obligation to register the units as rent-stabilized by reason of its condominium status. If, prior to consummation, Sponsor rents any residential units (or a portion thereof) to any person other than an interim lessee, Sponsor is obligated to abandon the offering plan. Sponsor has fifteen (15) months from the date of the issuance of a final certificate of eligibility by the New York City Department of Housing Preservation and Development to declare this offering plan effective.
3. All deposits/down payments will be placed in an IOLA account. Deposits in excess of \$250,000 will not be federally insured in excess of \$250,000. Interest earned on an IOLA account does not accrue to the benefit of the Purchaser or the Sponsor but is paid over to New York State. Please see the section entitled "Procedure to Purchase" in Part I of this Plan.
4. If Purchaser defaults under the Purchase Agreement, Sponsor shall notify Purchaser in writing of such default and advise Purchaser that he or she has thirty (30) days after Sponsor gives written notice to such Purchaser to cure such default.

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.

"Time is of the essence" means that if such default is not cured within thirty (30) days after Sponsor gives written notice to the Purchaser, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the Down Payment, together with accrued interest, if any, and any other monies held in the Escrow Account shall be paid over to Sponsor as and for liquidated damages, the Purchase Agreement shall become null and void and Sponsor shall have the right to immediately offer for sale the Unit which was the subject of such Purchase Agreement. Alternatively, but not by way of an election of remedies, Sponsor may institute a legal proceeding to compel the Purchaser to perform his or her obligations under the Purchase Agreement.

Please see the section entitled "Procedure to Purchase" in Part I of this Plan and the "Purchase Agreement" included in Part II of this Plan.

5. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title for the particular Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to that Unit. Any person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of a Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Purchase Agreement. Please see the section entitled "Procedure to Purchase" in Part I of this Plan and the "Purchase Agreement" included in Part II of this Plan.

6. The Purchase Agreement is not contingent upon the Purchaser's ability to secure financing. Failure by a Purchaser to obtain financing will not relieve a Purchaser from his obligations under the Purchase Agreement. A Purchaser who desires to finance his purchase, but who does not obtain a mortgage will still have the obligation to pay the balance of the Purchase Price when due, and failure to pay such balance will be a default under the Purchase Agreement which could result in the loss of the Purchaser's Down Payment with interest earned thereon, plus the actual cost of any special work ordered. However, the Sponsor reserves the right to negotiate with prospective Purchasers all aspects of the Purchase Agreement, including, but not limited to, conditioning the Purchase Agreement upon financing. Please see the section entitled "Procedure to Purchase" in Part I of this Plan and the "Purchase Agreement" included in Part II of this Plan.

The obligations of a purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is otherwise 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 a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

7. The Offering Plan and the Purchase Agreement transfer the statutory obligation to pay the New York State Real Property Transfer Tax and the New York City Real Property Transfer Tax from the Sponsor to the Purchaser. Please see the section entitled "Unit Closing Costs and Adjustments" in Part I of this Plan.

Although usually a Seller's expense, Purchasers agree to pay all New York City and New York State transfer taxes and filing fees. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such tax will be included in the consideration subject to tax.

All Purchasers will be required to make a \$2,000.00 payment to the Sponsor at closing as partial reimbursement for costs which Sponsor has incurred in preparing and submitting the Offering Plan, including preparation fees, filing fees, registration fees, recording fees, etc.

Each Purchaser shall pay \$1,800.00 plus disbursements to Sponsor's attorney representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney, all the transfer documents and for coordinating and attending the closing. In addition, Purchaser shall pay a travel fee in the amount of \$500.00 to Sponsor's attorney in the event that the closing of title is held at an office other than the office designated by Sponsor. See Closing Costs section of the Offering Plan.

8. No bond or other security has been furnished to secure performance of Sponsor's obligations to pay all Common Charges, special assessments and real estate taxes with respect to Unsold Units. Please see the section entitled "Rights and Obligations of the Sponsor" in Part I of this Plan.

9. No reserve fund is being established by the Sponsor. In the event there is a need for major capital expenditures, the Condominium will assess a charge to each Unit in accordance with its percentage of Common Interest resulting in an additional expense to Unit Owners.

10. The By-Laws do not contain a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

11. *Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy ("FCO") covering the entire building but with only a temporary certificate of occupancy ("TCO"), and sometimes with several successive temporary certificates of*

occupancy. Certificates of occupancy are generally governed by Section 301 of the New York Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires 90 days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units, In New York City; it is common for Sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principles will undertake the responsibility for extending each TCO received proper to expiration thereof and ultimately for obtaining a FCO covering the entire building within two years for the date of issuance of the first TCO. However, Sponsor and its principles make no representation or guarantee that DOB will issue the FCO within such two year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPLES ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing sponsor in these undertakings.

Closing will not take place, and no individual Condominium apartment will be sold until a permanent Certificate of Occupancy has been obtained for the premises. In the event a permanent Certificate of Occupancy is not obtained by July 1, 2017, the closings may be substantially delayed. In such case, providing that the sponsor is diligently pursuing completion of construction and issuance of the permanent Certificate of Occupancy and is otherwise in compliance with its obligations under the Plan, Purchaser will not be entitled to a right of rescission or to make claims against the Sponsor for damages or losses as a result of such delays and will not be excused from paying the full purchase price for the Unit. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER THE POSSIBILITY OF SUCH DELAYS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT. In the event sponsor cannot convey title to the Unit on or before twelve months from the date of the Purchase Agreement, affected purchasers will be afforded the right of rescission. .

12. 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 units in the building be sold before a lender will consider making a loan. Thus, it may be possible for a purchaser to experience difficulty obtaining a loan in a building where the sponsor or holder of unsold shares has not sold a substantial percentage of the units in the building, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building where an investor other than the original sponsor has an ownership of 10% or more. It may also be difficult for a purchaser to resell a unit if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions.

13. The approximate indoor floor area of each Unit has been measured from the exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by Common Elements bordering or within a Unit (such as the Building's façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footages shown are taken from points behind the walls enclosing the Unit and significantly exceed the Unit's usable floor area. Minor inaccuracies in a Unit's square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in the price. Since the areas listed in Schedule A were not calculated from measurements from the interior surfaces of interior walls, the actual floor areas if the units will be significantly less than the areas listed in Schedule A.

14. The Sponsor, as owner of unsold Units, will have voting control of the Board of Managers for two (2) years from the date of conveyance of title to the first Unit or whenever the unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is sooner. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including the Sponsor, and the enforcement of the Sponsor's obligations. Such budget must be consistent with Schedule B as disclosed herein or by a filed amendment. However, during such control period, the Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. At all times thereafter a majority of the Board of Managers shall be owner-occupants of the Condominium or members of an owner-occupant household who are unrelated to the Sponsor and its principals.

For a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five percent (25%) in number, whichever is sooner, the Sponsor's prior written consent shall be required in order to amend either the Declaration or the By-Laws and to (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$2,500, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee in addition to the employees referred to in this offering Plan, if any, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the Plan is declared effective, or (v) borrow money on behalf of the Condominium, or (vi) amend the Declaration or the By-Laws.

15. Sidewall or pendant type sprinkler heads will be provided in the entire building. All sprinkler piping to be black steel or copper. Sprinkler system shall be provided per applicable code requirements. All pipes shall be black steel standard schedule 40. Sprinkler heads shall be pendant or sidewall type as deemed appropriate. There are standpipes, hose racks, or Siamese connections provided per applicable code requirement. Combination smoke and carbon monoxide detectors, hard wired with battery back up by Fire X or equal will be provided on each level of each unit and installed as per Local law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code. The smoke and carbon monoxide detector's manufacturer will be keddle and model number will be KN-COSM-1B (or equal).

16. The windows and patio doors at all floors are aluminum sliding windows, double glazed, which are manufactured by Crystal (or similar). The screens for the windows are provided and silicone caulking is used for all the windows. Window guard for child protection shall be installed if applicable. Windows will comply with minimum requirements of NYS Energy Code. Continuous sealant with backer rod between windows and painted gypsum board, a wood stool and gypsum board head and jamb returns/wood will be provided on interior.

17. Sponsor will manage the building at no extra charge to unit owners until such time as a Board of Managers is elected. Upon the election of a Board of Managers, it is expected that the Condominium will be self-managed. Should the Board of Managers at any time elect to employ a managing agent it will be an additional cost to the Condominium resulting in an increase in Common Charges of approximately 6 to 10%.

Activities that the Unit Owners will need to perform if there is no managing agent include maintenance of bank accounts, collection and payment of Common Charges, processing individual Unit sales, supervision of Condominium employees (if any), day-to-day operation of the Condominium, compliance with governmental laws, filing of tax returns, enforcement of Condominium rules, seizure and sale of delinquent Units and response to Unit Owner complaints, questions or issues.

A. INTRODUCTION

This is an Offering Plan (the “Plan”) for the sale of Condominium Units to be known as the Highline Condominium (the “Condominium”) located at 781 East 9th Street, Brooklyn, New York 11230.

The purpose of this Plan is to set forth all the material terms of the offer. The Plan delivered to prospective purchasers contains all of the material terms of the transaction. The Plan may be amended from time to time by an amendment filed with the New York State Office of the Attorney General. Amendments will be served on all Unit Owners and Purchasers. A copy of the Plan, all documents referred to in the Plan and all exhibits submitted to the Office of the Attorney General in connection with the filing of the Plan will be available for inspection without charge and for copying at a reasonable charge to prospective purchasers and their attorneys at the site whenever the on site sales office is open and at the office of the selling agent or Sponsor.

The Sponsor of the Plan is 783 E 9th LLC, a New York limited liability company, having an office at 175 Great Neck Road, Suite 309, Great Neck, New York 11021. The Sponsor acquired title to the property on December 27, 2012. Sponsored obtained a construction loan in the amount of \$2.7 million from Valley National Bank. Said loan provides for partial payoff and releases of units at the time of the closing of each unit sale. 92% of the gross sale price of each unit must be paid to the lender at the time of the closing until the loan is paid in full.

The Sponsor reserves the unconditional right to rent rather than sell Units after consummation of the offering plan, but represents that it will endeavor in good faith to sell rather than rent Units. If sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor sponsor is bound by Sponsor’s representations regarding its commitment to sell Units.

The sponsor will be offering thirteen (13) residential units (the “Residential Units”) and seven (7) parking spots (the “Parking Units”) for sale. Such Parking Units shall be used solely for the storage of passenger motor vehicles of the occupants of the multiple dwelling or of multiple dwellings under common ownership, except that, in the event that such space or structure or part thereof is not used by such occupants, it may be rented by the owner or owners of such dwelling or dwellings to persons other than the occupants thereof. The space which has thus been rented shall be made available to an occupant within thirty days after written request therefor. However, such space may be used also for the storage of any type of mechanical or motor-driven equipment or other accessory device or passenger bus required for the proper maintenance of the site and of the dwellings thereon. The Residential Units and Parking Units are collectively referred to as the “Units”. Refer to Schedule A for a schedule of sales prices. Sale prices are not subject to approval by the Office of the Attorney General or any other government agency.

The common elements of the condominium include recreation space and bathroom on the cellar level, elevator and stairs, lobby and mechanical room on the first floor, and breezeway/parking on the first level.

Parking Space 6 has been designated as a handicapped parking space and will be the last parking space sold if it has not previously been sold to a purchaser who themselves or a member of their family has a vehicle with handicapped plates. The purchase of Parking Space 6 and any subsequent sale or transfer of it is subject to the following covenants and restrictions in the deed:

In the event the present or future owner of a unit in the condominium, or a member of his or her family residing in the unit, becomes handicapped and acquires handicapped plates for his or her vehicle, and said unit owner is the owner of the parking space, said unit owner has the right to demand that the owner of Parking Space 6 trade the handicapped parking space he/she owns with said handicapped owner.

In the event the present or future owner of a unit, or member of his or her family residing in the unit, becomes handicapped and said unit owner does not own a parking space, said unit owner has the right to demand that the owner of Parking Space 6 sell it at the then current, fair market value to said handicapped owner. All costs and expenses entailed in the transfer of title to the parking spaces, including without limitation, title abstracts, title insurance, transfer taxes, recording fees and reasonable attorney fees shall be borne by the party requesting the transfer.

The owner of Parking Space 6 must comply with the aforementioned demand within thirty (30) days written notice. If the parties cannot agree as to the fair market value of Parking Space 6, then the parties agree to submit the matter to binding arbitration in accordance with Article IX of the By-Laws of the condominium. Notice by the parties to the Arbitration shall be provided by certified mail, return receipt requested, or by recognized overnight courier and shall be deemed served upon delivery.

There will be no side yards at the property. The front yard will be paved from the building to the street. The back yard will be paved to provide accessory off-street parking spaces. Units 2A, 3A, 4A, 5A and 6A will have balconies at the front of the building. Units 2B, 3B, 4B, 5B and 6B will have balconies at the rear of the building. Unit 7A will have a terrace in the front. Unit 7B will have a terrace in the rear on the 7th floor and a balcony in the rear on the 8th floor. Unit 8A will have a balcony/terrace in the front.

Copies of this condominium offering plan with all exhibits will also be available for inspection without charge and copying at a reasonable fee at the New York State Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271.

Prices of the condominium units are not subject to approval by the NYS Department of Law or any other government agency.

Basic Aspects of Condominium Ownership

Each Purchaser of a Unit owns their respective Unit outright and is entitled to exclusive possession of that Unit together with an interest in and right to use the Common Elements. The Common Elements consist of all parts of the Condominium other than the Units themselves. The

Common Elements are owned in common by all of the Units Owners, each having an undivided interest therein and the non-exclusive right to use them. Please refer to the "Definitions" section for a more detailed explanation of the Common Elements.

A Unit Owner can sell or lease his Unit to anyone, without restriction or limitation, subject only to the right of first refusal by the Board of Managers to purchase the Unit at the same price offered by a third party.

The Board of Managers has the authority to manage the Condominium. The rights and responsibilities of the Board of Managers include, the maintenance and repair of the Common Elements, collection of Common Charges from the Unit Owners, promulgating Rules and Regulations, obtaining insurance, and all other duties that may be required in connection with the operation of the Condominium. Each Unit Owner will have the right to vote for the members of the Board of Managers. Unit Owners will have one vote for each Unit that they own. Each Unit Owner must pay common charges in accordance with the New York Condominium Act, RPL Sections 339(i) and (m) and must comply with the Declaration, By-Laws, Rules and Regulations and any other requirements of the Board of Managers.

The Board of Managers may not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

Each Unit will be taxed as a separate tax lot for real estate tax purposes, and a Unit Owner will not be liable for the payment of any other Unit's taxes. Each Unit may be separately mortgaged. No Unit is subject to the lien of any mortgage placed on any other Unit in the Condominium.

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

Although the Board of Managers will carry fire insurance covering the Buildings and public liability insurance, Unit owners are encouraged to carry insurance covering the interior of their Units and any personal property therein. Additionally, Unit Owners will be responsible for the repair and maintenance of the interior of their respective Units. The Board of Managers will be responsible for the maintenance and repair of all Common Elements.

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

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

B. DEFINITIONS

The following terms shall be defined for the purposes of this Plan as follows:

Board of Managers: The Board of Managers of the Condominium, as created by the By-Laws to govern and manage the affairs of the Condominium.

By-Laws: The by-laws governing the operation of the Condominium. The By-Laws are included in this Plan in Part II, Exhibit G.

City Register's Office: The Kings County Office of the Register of the City of New York.

Common Charges: Each unit's proportionate share of the Common Expenses in accordance with its Common Interest.

Common Elements:

- (a) The land on which the building is located;
- (b) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, and entrances and exits of the building;
- (c) The basements, cellars, yards, gardens, recreational or community facilities, parking areas and storage spaces;
- (d) The premises for the lodging or use of janitors and other persons employed for the operation of the property;
- (e) Central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
- (f) The elevators, escalators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use;
- (g) Such facilities as may be designated as common elements in the Declaration; and
- (h) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Common Expenses: Expenses of operation of the Condominium and all sums designated As Common expense by or pursuant to the provisions of the Condominium Act, the Declaration or the By-Laws.

Common Interest: The proportionate, undivided interest in fee simple absolute appurtenant to each Unit of the Condominium

Condominium: The Highline Condominium Condominium.

Condominium Act: Article 9-B of the Real Property Law of the State of New York, as amended.

Declaration: The instrument by which the Property is submitted to the provisions of the Condominium Act and such instrument as from time to time amended, consistent with the Condominium Act and the By-Laws.

Property: The land, the buildings and all other improvements located at 781 East 9th Street, Brooklyn, New York 11230.

Purchase Agreement: The agreement to purchase a Unit pursuant to the Plan, the general form of which is set forth in Part II of the Plan as Exhibit A.

Purchaser: A purchaser of a Unit under a Purchase Agreement.

Sponsor: 783 E 9th LLC, a New York limited liability company, having an office at 175 Great Neck Road, Suite 309, Great Neck, New York 11021

Unit(s): Any unit in the Building designated as such in the Declaration.

Unit Owner(s): An owner of any Unit.

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

C. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Building is located at 781 East 9th Street, Brooklyn, New York 11230. The Building is located on a plot of land that has an area of approximately 4,000 square feet and is located on the East Side of East 9th Street, between Avenue H and Foster Avenue. The property is located in an R7A Zoning Use District as established by the City of New York, which zoning district, according to the Sponsor's engineer, Sion Assoc NY, LLC, permits the construction and use of the Property as an eight (8) story building consisting of thirteen (13) Residential Units, seven (7) Open Parking Spaces and cellar, as herein contemplated. For more information see the Floor Plans included in this plan as Part II, Exhibit E.

The Building Plans are available for inspection at the Sponsor's Office.

The Units, the Building containing them and all other improvements will comply with all applicable rules, regulations, laws and other requirements of all governmental authorities having jurisdiction thereof including those governing zoning and construction, and the sponsor and all other persons engaged by the sponsor in connection with this plan have complied and will comply with all applicable laws, rules, regulations and other governmental requirements pertaining thereto including but not limited to the City of New York. The Sponsor must obtain at least a temporary certificate of occupancy prior to the closing of title to a Unit.

This offering covers a newly constructed building. The Building will be constructed substantially in the manner set forth in the Building Plans filed with the City of New York, which Plans will not be changed so as to adversely affect the Unit Owners.

Sponsor shall provide the following kitchen fixtures, appliances and equipment: (a) ceramic tile or wood, wall and base cabinets of laminated wood or equal, and formica or equal countertops; (b) Gerber 25" sink or equal; and one, four burner gas range manufactured by Frigidaire, 30" or equal. Any additional kitchen appliances will be the responsibility of the Unit Owners at an additional cost. Sponsor shall provide washer/dryer hookups in each unit.

There will be seven (7) open parking spaces located on the first floor level. There is no common recreation area in the building and none is required. Such parking spaces shall be used solely for the storage of passenger motor vehicles of the occupants of the multiple dwelling or of multiple dwellings under common ownership, except that, in the event that such space or structure or part thereof is not used by such occupants, it may be rented by the owner or owners of such dwelling or dwellings to persons other than the occupants thereof. The space which has thus been rented shall be made available to an occupant within thirty days after written request therefor. However, such space may be used also for the storage of any type of mechanical or motor-driven equipment or other accessory device or passenger bus required for the proper maintenance of the site and of the dwellings thereon.

On floors two through five, the units along the A-line will have balconies on the front of the building while the units along the B-line will have balconies in the rear of the building. The

sizes of the balconies will vary. Unit 7A will have a terrace in the front of the building while duplex unit 7B will have a terrace in the rear of the building and an eighth floor balcony in the rear of the building. Unit 8A will have a balcony/terrace in the front of the building. There will be no back yard or front yard due to parking on the first level.

For a detailed description of such data, see the Description of Property in part II of the plan. Construction of the Building commenced on or about May 1, 2014, and substantial completion of the construction of the Building except for extra work ordered by a Unit Owner is expected by approximately June, 2017 barring any strikes, material shortages, acts of God or other unforeseen delays beyond the control of the Sponsor.

D. LOCATION AND AREA INFORMATION

The Condominium is located at 781 East 9th Street, Brooklyn, New York 11230. The property is located in the Midwood section of Brooklyn, which provides a diversity of cultural, religious, educational and shopping facilities. In addition, the property affords easy access to all forms of public transportation.

Water supply, sanitary sewers, and storm sewers servicing the Building are provided by the City of New York Department of Environmental Protection. The water consumed will be metered by DEP and the cost of the water and sewer will be divided between 13 apartments.

Natural gas will be provided by the National Grid or other gas service provider. Each Unit in the building will be individually metered and will be separately billed directly.

Electricity will be provided by the Consolidated Edison Company. Each Unit will be separately metered and billed directly.

Telephone service will be provided by the Verizon Company, or other cable company. Each unit will be prewired with telephone jacks. Each Unit will be billed directly.

Refuse disposal will be provided by the New York City Sanitation Department.

New York City requires the installation of carbon monoxide detectors by owners of multiple dwellings.

The Property is located within an R7A zoning district, which according to Sponsor's engineer, Sion Assoc NY, LLC, permits the use of the Property as an eight (8) story building with a cellar consisting of thirteen (13) Residential Units, and seven (7) open Parking Units, as herein contemplated.

Sponsor will amend the offering plan to disclose any publicly announced development projects that will be adjacent to or directly across from the property within thirty (30) days after the information becomes known.

E. SCHEDULE A
OFFERING PRICES AND PROJECTED MONTHLY CHARGES
FOR THE FIRST YEAR OF OPERATION AT
THE HIGHLINE CONDOMINIUM
EXPECTED TO COMMENCE JULY 1, 2017 - JUNE 30, 2018

Unit	(1) Number of Bedrooms & Baths	Approximate Square Footage	Approximate Square Footage (uninhabitable Space)	(2) Offering Plan Prices	(3) Percentage of Common Elements	(4) Projected Monthly Common Charges	(5) Without 421-a Benefits		(5) With 421-a Benefits		(6) (7) Total Monthly Carrying Charges Assuming No 421-a Benefits	(6) (7) Total Monthly Carrying Charges Assuming 421-a Benefits
							1st Year Projected R.E. Taxes	Proj. Monthly R.E. Taxes	1st Year Projected R.E. Taxes	Proj. Monthly R.E. Taxes		
2A	2/2	1,102	66	\$799,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
2B	2/2	1,099	66	\$799,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
3A	2/2	1,102	161	\$799,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
3B	2/2	1,099	161	\$799,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
4A	2/2	1,102	161	\$799,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
4B	2/2	1,099	160	\$799,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
5A	2/2	1,102	161	\$849,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
5B	2/2	1,099	151	\$849,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
6A	2/2	1,102	153	\$899,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
6B	2/2	1,099	157	\$899,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
7A	2/2	893	264	\$999,000	6.30%	\$233.26	\$7,309.76	\$609.15	\$75.66	\$6.31	\$842.40	\$239.56
7B	2/2	1,074	557	\$999,000	7.60%	\$281.39	\$8,818.13	\$734.84	\$91.28	\$7.61	\$1,016.23	\$289.00
8A	2/2	1,018	373	\$999,000	7.30%	\$270.28	\$8,470.04	\$705.84	\$87.67	\$7.31	\$976.12	\$277.59
P1 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
P2 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
P3 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
P4 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
P5 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
P6 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
P7 Parking				\$40,000	0.40%	\$14.81	\$464.11	\$38.68	\$4.80	\$0.40	\$53.49	\$15.21
Totals	26/26	13,990		\$11,567,000	100%	\$3,702.50	\$116,028.00	\$9,669.00	\$1,201.00	\$100.08	\$13,371.50	\$3,802.58

Notes to Schedule A:

The following Limited Common Elements are deemed to be Irrevocably Restricted Areas for the exclusive use of the respective Unit Owners. All square footage measurements are approximate.

<u>Unit</u>	<u>Irrevocably Restricted Limited Common Elements</u>	<u>Approximate Square Footage</u>
2A	Storage	49
	Balcony in front	17
2B	Storage	49
	Balcony in rear	17
3A	Storage	60
	Balcony in front	101
3B	Storage	60
	Balcony in rear	101
4A	Storage	60
	Balcony in front	101
4B	Storage	59
	Balcony in rear	101
5A	Storage	60
	Balcony in front	101
5B	Storage	50
	Balcony in rear	101
6A	Storage	52
	Balcony in front	101
6B	Storage	56
	Balcony in rear	101
7A	Storage	56
	Terrace in front	208
7B	Terrace in rear	397
	Storage	51
	Balcony in rear	109
8A	Storage	53
	Terrace in front	320

These uninhabitable spaces may not legally be used as a bedroom or living room and to do so may result in building code violations being issued for the building.

FOOTNOTES TO SCHEDULE A

1. The number of rooms listed for each Unit equals the number of “rooms” to be counted for a particular apartment for lot area requirements according to the Zoning Restriction of the City of New York. This basis of calculation is commonly known as the “zoning law” room count. Floor Plans are included in Part II of the Plan.

The approximate indoor floor area of each Unit has been measured from the exterior Building walls or glass windows at the Building line and/or Property line enclosing the Unit, or from the midpoint of the interior Demising Walls separating the Unit from another Unit, or from the public side of the interior Demising Walls separating the Unit from the public corridors or public stairs, or from the mechanical space side of interior Demising Walls separating the Unit from mechanical equipment space or any other Common Elements. Columns and mechanical pipes and chases (whether along the perimeter or within the Unit) are not deducted from the square foot area of the Unit. The floor area occupied by Common Elements bordering or within a Unit (such as the Building’s façade or exterior walls, vents, chase walls or areas, conduits, ducts, shafts or pipes) have been included in the computation of the floor area of the Unit, but such Common Elements are not part of the Unit. As a result, the square footages shown are taken from points behind the walls enclosing the Unit and significantly exceed the Unit’s usable floor area. Minor inaccuracies in a Unit’s square footage will not excuse a Purchaser from completing the purchase of a Unit without recourse against the Sponsor, or reduction in the price. Since the areas listed in Schedule A were not calculated from measurements from the interior surfaces of interior walls, the actual floor areas if the units will be significantly less than the areas listed in Schedule A.

2. These prices have been set by the Sponsor. Prices are not subject to the approval of any governmental agencies. Sponsor’s right to make changes in Offering Prices is set forth in the section of the Plan entitled “Changes in Prices and Units.” For closing costs payable by Purchasers (in addition to the prices), and adjustments at closing, see the section of the Plan entitled “Unit Closing Costs and Adjustments”.
3. The common interest of each Unit 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 pursuant to Sec. 339-i(1) subparagraph (iv) of the Real Property Law of the State of New York.
4. Common charges have been estimated by the Sponsor and include insurance, electricity for the common areas and maintenance and operation of the Common Elements. If a purchaser obtains financing, the purchaser’s debt service payments will be an additional expense. Common Charges exclude repair and decoration to the inside of a Unit, utilities for each Unit and insurance for personal belongings. See Schedule B-1 for estimated

individual energy costs during the first year of operation.

5. The Sponsor expects to obtain a substantial real estate tax exemption under Section 421-a of the Real Property Tax Law of the State of New York ("421-a"). According to Boris Saks, Esq., PLLC, the Sponsor's real estate tax consultant, 100% of tax increased assessed value of the Property resulting from the improvement therein (i.e. the assessed value above the pre-construction assessed value) should be exempt from taxation during construction (not to exceed three (3) years) and during the eleven (11) years following completion of construction. Beginning in the twelfth (12th) year following completion of construction, the percentage of exemption decreases by 20% each year for a period of four (4) years. Full taxes are payable in the sixteenth (16th) year following completion of construction. The Sponsor has obtained an opinion from Boris Saks, Esq., PLLC, which is contained in Part I of this Plan, as to the likelihood and amount of tax benefits.

Notwithstanding the foregoing, there can be no guaranty or assurance that the criteria for obtaining Section 421-a benefits will be satisfied or, even if they are satisfied, that the Sponsor's application for an exemption from real estate taxes will be granted. Thus, the Sponsor has provided projections of real estate taxes both assuming that Section 421-a benefits will be available and assuming that they will not be available.

The projected real estate taxes (assuming the 421-a exemption is granted) are based upon the (i) pre-construction taxable assessed valuation of \$9,316.00 and (ii) a tax rate of 12.892%.

The projected real estate taxes (assuming the 421-a exemption is not granted) are based upon a (i) taxable assessed valuation of \$900,000.00 and (ii) tax rate of 12.892%, which valuation and tax rate have been estimated by Boris Saks, Esq., PLLC., the Sponsor's real estate tax consultant.

Each Unit will be taxed as a separate tax lot for real estate purposes. A Unit Owner will not be responsible for the payment of real estate taxes assessed against other Units, nor will a Unit be subject to a lien arising out of the nonpayment of real estate taxes assessed against other Units. See the section of the Plan entitled "Real Estate Taxes."

6. The Sponsor is not offering and has not procured mortgage financing. As a result, the projected monthly carrying charges for financing have not been included in Schedule A. In the event a Purchaser obtains a mortgage, his monthly carrying charge will increase. Any Purchaser who applies for a mortgage from a lending institution should check with that institution as to the monthly mortgage costs as well as any closing costs that the Purchaser will be obligated to pay the lending institution. Carrying charges exclude repair and decoration to the inside of a Unit, utilities for each Unit and insurance for personal belongings.
7. For income tax purposes, Owners who itemize their deductions should be entitled to an

annual deduction for real estate taxes as well as mortgage interest paid, if any, with respect to their Units. The deductible amount may vary due to changes in assessed valuations of Units, in tax rates or in the method of assessing real property which may result in a change in real property taxes, or such other changes as may reasonably be expected to affect tax deductions. The interest portion of monthly mortgage payments made by Owners who obtain mortgage financing for their Units, and designate same as primary or secondary qualifying residence is also deductible for tax purposes by persons who itemize deductions. The portion of the debt service deductible for income tax purposes may vary in subsequent years due to financing related changes such as changes in the interest rate on an owner's mortgage, if any, the interest rate on a refinanced mortgage, or the allocation of constant debt service payments between interest and principal.

8. The following Limited Common Elements are deemed to be Irrevocably Restricted Areas for the exclusive use of the respective Unit Owners. All square footage measurements are approximate.

Unit	Irrevocably Restricted Limited Common Elements	Approximate Square Footage
2A	Balcony	17
2B	Balcony	17
3A	Balcony	101
3B	Balcony	101
4A	Balcony	101
4B	Balcony	101
5A	Balcony	101
5B	Balcony	101
6A	Balcony	101
6B	Balcony	101
7A	Terrace	208
7B	Terrace/Part of 8 th fl Balcony	397/109
8A	Balcony/Terrace	320

F. SCHEDULE B

BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION BEGINNING JULY 1, 2017 THROUGH JUNE 30, 2018

PROJECTED INCOM

Common Charges	<u>\$44,430</u>
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PROJECTED EXPENSES

Labor (1)	\$9,000
Cooking, Heating & Hot Water (2)	\$-0-
Electricity (3)	\$7,280
Water & Sewer (4)	\$6,000
Repairs, Maintenance & Supplies (5)	\$5,000
Insurance (6)	\$8,950
Management Fees (7)	\$-0-
Legal Fees & Audit Fees (8)	\$2,000
Contingency (9)	\$1,200
Reserve Fund (10)	<u>\$5,000</u>
TOTAL:	<u>\$44,430</u>

In the event the actual or anticipated date of commencement of condominium operation differs from the budget year projected herein by more than six (6) months, this Plan will be amended to include a revised budget. If such amended budget exceeds this budget by at least 25%, the Sponsor will offer all Purchasers the right to rescind their Purchase Agreement in a reasonable period of time that is not less than fifteen (15) days after the date of presentation of the amended budget, whether or not the Sponsor offers to guarantee this budget. Sponsor will return any deposit to Purchasers who rescind within a reasonable period of time.

FOOTNOTES TO SCHEDULE B

1. Labor

The condominium will be staffed by a part time superintendent. The superintendent will be non-union. The budgeted figure includes an additional 15% (\$1,200) to cover and pay for all social security, disability, unemployment insurance, payroll taxes, and all other benefits required by local, state and federal law. Sponsor must either (1) perform all janitorial services, (2) ensure that there be a superintendent who resides at the premises or within 200 feet of the building, or (3) the Sponsor provide for a janitorial service to be available 24/7. Should this occur then the budget must be increased by \$9,200 to provide for this additional expense. Since the Sponsor is committed to selling all of the units and shall perform all janitorial services during its management of the building, there is no requirement at this time to increase the budget to provide for 24/7 janitorial services or a full time superintendent.

2. Cooking, Heating & Hot Water

Each Purchaser will pay separately for cooking, heating & hot water supplied to their Unit. Please see Schedule B-1 for a projection of individual cooking, heating & hot water charges.

3. Electricity

The figures for electricity are based on the projections of Andrew Katz, P.E., dated December 20, 2016. Please see Schedule B-1. The projected consumption for the common areas is 32,000 KWHR per year at an average cost of \$0.23 per KWH plus minimum meter charges for a total cost of \$7,280 annually.

4. Water and Sewer

The Units are not separately metered for water and sewer. There is one meter servicing the entire building. Water and sewer will be billed as a common charge. The figures for water & sewer are based on the projections of Andrew Katz, P.E., dated December 20, 2016. Please see Schedule B-1.

5. Repairs, Maintenance & Supplies

This estimate is an allowance for elevator maintenance, general maintenance, repair and supplies to the Common Elements of the Condominium including plumbing, electrical and miscellaneous items. The estimated figure is based on the cost of maintenance, repairs and supplies for comparable buildings in the area, adjusted to take into account all relevant factors.

6. Insurance

The insurance figure is based on an estimate by First Fidelity Brokerage, dated December 15, 2016 for the following coverage:

Building Limit	\$4,000,000
Employee Dishonesty	\$250,000
Association Directors & Officers	\$1,000,000
Liability	\$1,000,000
Umbrella	\$5,000,000

The foregoing insurance will be adequate to replace the Building in the event of total loss and will eliminate the standard co-insurance requirement. Public liability insurance will be in effect at the time of closing. Insurance coverage meets the requirements of any mortgage lender procured by the Sponsor. The policy will provide:

- (a) that each Unit Owner is an additional insured party;
- (b) that there will be no cancellation without notice to the Board of Managers;
- (c) will waive subrogation;
- (d) will waive invalidity because of the acts of the insured and Unit Owners; and
- (e) will waive pro-rata reduction if Unit Owners obtain additional coverage.

The following items are not included but may be available at extra cost: rent insurance, water damage, elevator collision, excess liability, auto liability, fidelity bond and garage keeper's liability.

Purchasers are advised of the desirability of obtaining additional insurance at their own cost to cover such risks as fire and casualty losses to Unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the Unit or Limited Common Elements.

7. Management Fees

It is expected that the Condominium will be self-managed. Should the Board of Managers at any time elect to employ a managing agent it will be an additional cost to the Condominium resulting in an increase in Common Charges. Sponsor will manage the building until a board of managers is elected. Such election shall take place at the first meeting of unit owners.

Activities that the Unit Owners will need to perform if there is no managing agent include maintenance of bank accounts, collection and payment of Common Charges, processing individual Unit sales, supervision of Condominium employees (if any), day-to-day operation of the Condominium, compliance with governmental laws, filing of tax returns, enforcement of

Condominium rules, seizure and sale of delinquent Units and response to Unit Owner complaints, questions or issues.

8. Legal Fees & Audit Fees

The budget includes an allowance of \$1,500 for miscellaneous, but not major, legal fees.

The budget includes an allowance of \$500 for CPA fees. This fee entails the preparation of the Condominium's annual financial statement and preparation and filing of tax returns by Isaac Goldstein & Company.

9. Contingency

This amount is provided for any unanticipated expenses or unanticipated increases in the projected expenses.

The contingency does not include a reserve for capital expenditures, however, the Board of Mangers may decide to use it as such.

10. Reserve Fund

This amount is provided as a reserve for capital expenditures to common areas. No representation is made that this amount will be adequate to cover current or future expenses including repairs or replacements of Common Elements. If additional funds are required over and beyond said fund, it may be necessary to increase the Common Charges payable by the Unit Owners or to collect a special assessment from each Unit Owner.

G SCHEDULE B1-

BUDGET FOR INDIVIDUAL ENERGY COSTS

Year Beginning July 1, 2017 through June 30, 2018

	<u>Estimated Electric</u>	<u>Estimated Gas</u>
<u>Unit</u>	<u>COST</u>	<u>COST</u>
2A	\$1,025.00	\$1,225.00
2B	\$1,025.00	\$1,225.00
3A	\$1,025.00	\$1,225.00
3B	\$1,025.00	\$1,225.00
4A	\$1,025.00	\$1,225.00
4B	\$1,025.00	\$1,225.00
5A	\$1,025.00	\$1,225.00
5B	\$1,025.00	\$1,225.00
6A	\$1,025.00	\$1,225.00
6B	\$1,025.00	\$1,225.00
7A	\$975.00	\$1,125.00
7B	\$1,625.00	\$1,825.00
8A	\$975.00	\$1,125.00
8B	\$1,625.00	\$1,825.00

The above estimate of the cost of electricity and gas for individual consumption has been passed upon by Andrew Katz Engineers, by estimate dated December 20, 2016, and is made on the basis of the average estimated use multiplied by the estimated electric cost of approximately \$0.23 per KWH including taxes and adjustments.

The cost per year for domestic hot water is approximately \$2,500.00 for the building as has been passed upon by Andrew Katz Engineering and is made on the basis of the average estimated use of 150 gallons per day per unit multiplied by the estimated cost of approximately \$2.60 per 100 cubic feet of water per year.

The cost per year for sewer use is approximately \$3,500.00 for the building as has been passed by Andrew Katz Engineering and is made on the basis of 150 gallons per day at a rate of approximately \$3.50 per 100 cubic feet.

Although the Sponsor is under obligation to provide accurate information to prospective Purchasers, factors beyond its control may substantially affect the cost of electricity and/or gas after the purchase of a Home or in subsequent years. Sponsor represents however, that it has followed the plans and specifications provided by the manufacturer of the appliances together with the recommendation of the manufacturer and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Further, that it has not been induced to select the appliances etc. described herein on the basis of any financial inducement other than the cooperative advertising and price of the system made to it by the manufacturer or distributor of the system or by the supplier of energy to be used in connection therewith or by any of their agents or employees.

H. COMPLIANCE WITH REAL PROPERTY LAW SECTION 339(i)(1)(iv)

NEW YORK STATE DEPARTMENT OF LAW
120 Broadway
New York, New York 10271

Re: 781 East 9th Street, Brooklyn, New York
The Highline Condominium Offering Plan
Compliance with Real Property Law Section 339(i)(1)(iv)

Dear Sir/Madam:

I am the attorney for the Sponsor and I am familiar with cooperative and condominium offering plans and preparing contracts of sale and closing title to the units in the respective offering plans and as such have requisite experience to prepare this compliance letter. I am not the selling agent or managing agent for this property.

I have reviewed the pertinent data with respect to the floor area, relative values of the units, and other pertinent information with respect to the units. Based on these factors, and the Certification of Gelena Gertz of Industry Property Management, the allocation of common interest is being made pursuant to Real Property Law Section 339-i(1) subparagraph (iv) which provides:

“(iv) The determination of percentages of Common Interest allocated to each unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the condominium, the uniqueness of the unit, the availability of common elements or exclusive or shared use, and the overall dimensions of a particular unit”

I certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my compensation for preparing this letter is not contingent on the conversion of the property to a condominium or on the profitability of the offering.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Boris Saks', written in a cursive style.

Boris Saks, Esq.

I. CHANGES IN PRICES AND UNITS

The offering prices set forth in Schedule A may be changed only by a duly filed amendment to the Offering Plan when the change of price is an across-the-board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual purchaser.

Prices and all other terms of sale are negotiable and the Sponsor may enter into an agreement with an individual purchaser to sell one or more Units at prices lower than those set forth in Schedule A without filing an amendment.

No change will be made in size or number of Units and/or their respective percentages of Common Interest, and no material change will be made in the size or quality of Common Elements, except by an amendment to the Offering Plan and, when applicable, to the Declaration.

Unless an affected Purchaser consents, no material change will be made in Unit size, layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit and the Purchaser is not in default.

Unless all Purchasers consent, no material change will be made in size and no material adverse change will be made in the quality of Common Elements.

J. PROCEDURE TO PURCHASE

Purchase Agreement; Down Payment

A person desiring to purchase a Unit in the Condominium, or the authorized parties thereof if the person is other than a natural person, shall be required to execute in duplicate a contract to purchase ("Purchase Agreement"), in the form of Exhibit A in Part II, and return it to the Selling Agent, together with a check in the amount of ten percent (10%) of the purchase price ("Down Payment"), drawn to the order of "Boris Saks Esq., PLLC, as attorney." All checks delivered in payment of the Down Payment shall be subject to collection and if any check is returned for insufficient funds or any other reason, Sponsor shall have the right, but not the obligation, to cancel the Purchase Agreement. Within thirty (30) days of receiving two copies of a Purchase Agreement, both executed by Purchaser, together with the required Down Payment, Sponsor must either accept the Purchase Agreement by returning to Purchaser a fully executed copy of the Purchase Agreement or reject the Purchase Agreement by returning to Purchaser the Down Payment tendered. If Sponsor takes no action within said thirty (30) day period, the Purchase Agreement shall be deemed null and void and Sponsor shall return the Down Payment to Purchaser.

The Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's Regulations, and all funds paid by Purchaser shall be handled in accordance with said statutes and regulations. The law firm of Boris Saks PLLC, with an address at 1732 East 12th Street, Brooklyn, New York 11229, telephone number (718) 998-1800, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorney to serve as signatory: Boris Saks, Esq. The designated signatory is admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatory on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The name of the account is entitled "Boris Saks Esq., - Attorney Escrow Account/IOLA" (the "Escrow Account"), and has been opened with Signature Bank at its branch located at 6321 New Utrecht Avenue, Brooklyn, New York 11219. This bank is covered by federal bank deposit insurance to a maximum of \$250,000 per individual deposit.

The account is an IOLA account with no interest accrued to the benefit of either a Purchaser or the Sponsor. An IOLA is a special segregated escrow account maintained by an attorney. Interest on an IOLA account is paid to the State of New York.

All instruments shall be made payable to or endorsed to the order of "Boris Saks, Esq., PLLC."

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

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

Release of Funds:

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

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

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or
- (c) by a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (a) through (c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of

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

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

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

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

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

Waiver Void:

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

The Escrow Agent will maintain all records concerning the escrow account for seven years after the release of funds.

Time of the Essence

TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD.

"Time is of the essence" means that if such default is not cured within thirty (30) days after Sponsor gives written notice to the Purchaser, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement. In such event the Down Payment, together with accrued interest, if any, and any other monies held in the Escrow Account shall be paid over to Sponsor

as and for liquidated damages, the Purchase Agreement shall become null and void and Sponsor shall have the right to immediately offer for sale the Unit which was the subject of such Purchase Agreement. Alternatively, but not by way of an election of remedies, Sponsor may institute a legal proceeding to compel the Purchaser to perform his or her obligations under the Purchase Agreement.

Notice of Closing of Title; Balance of Purchase Price

After the Plan had been declared effective the Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each purchaser stating the date of the first closing and setting such Purchaser's closing date. Such notice will be served in compliance with the service provisions contained in the Attorney General's regulations no less than thirty (30) days before the date set for the closing of the Units. This notice period may be waived by Purchasers. The notice shall provide that the balance of the purchase price shall be due at closing of title. The notice to Purchaser shall also specify when Common Charges will be due and payable. All closings will take place at the Sponsor's office.

AT THE CLOSING OF TITLE, THE BALANCE OF THE PURCHASE PRICE MUST BE PAID BY (i) UNENDORSED CERTIFIED, TELLER S OR CASHIER S CHECK PAYABLE AT THE DIRECTION OF SPONSOR.

All checks must be drawn on a bank or trust company which is a member of the New York Clearinghouse Association or any successor organization.

Date of First Closing

Sponsor expects the first closing of a Unit to occur on or about July 1, 2017. If such date is delayed twelve (12) months or more, within (20) days following the expiration of such twelve (12) month period, the Plan will be amended to offer Purchasers the right to rescind.

Default

Sponsor must make a written demand for payment after default thirty (30) days before forfeiture of the deposit may be declared.

Power of Attorney

Simultaneously with the closing of title to a Unit, Purchaser will be required to sign a Power of Attorney to the Board of Managers of the Condominium.

A copy of the Power of Attorney is attached as Exhibit C.

Right of Rescission

Purchasers who have not had an opportunity to review the Offering Plan and any filed amendments for at least three (3) business days prior to their executing a Purchase Agreement shall be given seven (7) days, after delivering an executed Purchase Agreement, together with the required Down Payment, to rescind the Purchase Agreement and have the full Down Payment refunded promptly. Such rescission must be in writing, addressed and sent to Sponsor, and be postmarked or hand delivered by midnight of the seventh (7th) day subsequent to Purchaser's executing and delivering such Purchase Agreement. Purchasers who execute a Purchase Agreement after having had an opportunity to review the Offering Plan and any filed amendments for not less than three (3) business days prior to their executing a Purchase Agreement shall not be permitted the aforementioned time period to rescind for any reason.

Risk of Loss

The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title for the particular Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to that Unit. Any person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of a Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Purchase Agreement.

PURCHASER SHOULD CONSULT WITH AN ATTORNEY AND/OR AN INSURANCE AGENT AS TO PURCHASER'S INSURANCE NEEDS.

Entry Prior to Closing

Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title but shall be obligated to make an inspection appointment with Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

Mortgage Financing Contingency

The Purchase Agreement is not contingent upon the purchaser's ability to secure financing. However, the Sponsor reserves the right to negotiate with prospective Purchasers all aspects of the Purchase Agreement, including, but not limited to, conditioning the Purchase Agreement upon financing.

Conflict Between Plan and Purchase Agreement

Any conflict between this Offering Plan and the Purchase Agreement will be resolved in favor of the Offering Plan.

No Waiver of Purchaser's Rights

The Purchase Agreement and Offering Plan may not contain, or be modified to contain, a provision waiving Purchaser's rights or abrogating Sponsor's obligations under Article 22-A of the General Business Law

Assignment

Purchase Agreements are not assignable without Sponsor's prior written consent.

A complete copy of the Purchase Agreement is attached as Exhibit A.

K. EFFECTIVE DATE

The sponsor's offer to sell is contingent upon the Plan being declared effective and upon compliance with the relevant conditions and time periods described in the Plan.

The Plan shall be declared effective by an amendment to the Plan.

The Plan may not be declared effective unless bona fide purchasers, including investors, have signed Purchase Agreements for at least fifteen percent (15%) of the Residential Units offered under the Plan (i.e., two (2) Units).

The Plan will not be declared effective based on Purchase Agreements:

- (i) signed by purchasers who have been granted a right of rescission that has not yet expired or been waived; or
- (ii) if the Purchaser was not afforded not fewer than three (3) business days to review the Plan and all filed amendments prior to executing the Purchase Agreement; or
- (iii) with any Purchaser who is the Sponsor, the selling agent, or the managing agent or is a principal of the Sponsor, the selling agent, or the managing agent or is related to the Sponsor, the selling agent, or the managing agent or to any principal of the Sponsor or 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; except that such a Purchaser other than the Sponsor or a principal of the Sponsor may be included if the Sponsor has submitted proof satisfactory to the Office of the Attorney general establishing that the Purchaser is bona fide.

The Plan must be declared effective when Purchase Agreements have been accepted by Sponsor for eighty percent (80%) or more of the Residential Units offered under the Plan (i.e. eleven (11) Units).

If the Plan has not been declared effective, the Sponsor has the option to abandon the Plan for any reason whatsoever. If Sponsor opts to abandon the Plan it shall file an amendment with form RS-3, and will refund all monies paid by Purchasers, with interest earned, if any, in full, within five (5) days of the acceptance of filing of the amendment.

Sponsor may not abandon the Plan after effectiveness for any reason other than:

- (i) a defect in title which cannot be cured without litigation or cannot be cured for less than one-half of one percent of the total offering amount, or

(ii) substantial damage or destruction of the Buildings by fire or other casualty which cannot be cured for less than one-half of one percent of the total offering amount, or

(iii) the taking of any material portion of the Property by condemnation or eminent domain.

The amounts stated in subdivisions (i) and (ii) above exclude any attorneys' fees or any such title defects or determinations of any authority or regulatory association which exist on the date of presentation of the Plan and are either known to the sponsor or are a matter of public record.

Notwithstanding the fact that not all purchasers used for purposes of declaring the plan effective may actually close, Sponsor must re-declare the plan effective in order to consummate the offering plan in accordance with 13 NYCRR Section 20.1(c)(6). If all purchase agreements are either rescinded or terminated prior to the date of the first unit closing, regardless of whether the condominium declaration has been recorded, Sponsor must re-declare the offering plan effective.

L. TERMS OF SALE

At closing of title, good and marketable title to the Unit and its appurtenant interest in the Common Elements will be conveyed by the Sponsor to the Purchaser by Bargain and Sale Deed with Covenants against Grantor's Acts, in the form set forth in Part II of this Plan.

The risk of loss for fire or other casualty with respect to each Unit will remain with Sponsor until the closing of title for the particular Unit.

Anything herein to the contrary notwithstanding, closings of Units will take place only concurrently with the issuance of a temporary or permanent certificate of occupancy for the entire project or issuance of a partial, temporary or permanent certificate of occupancy for the Unit closed or the Building in which the Unit is located.

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at closing free and clear of all liens, encumbrances, and title exceptions other than those described in the Plan and the proposed Unit deed except the following:

1. Any statement of facts which an accurate survey might show provided that they do not render title unmarketable.
2. Any sewer, water, gas, electric, drainage, telephone, cable television or utility easements granted or to be granted hereafter.
3. All of the terms, covenants and conditions of the Declaration, the By-Laws and the Building Plans as they are subsequently filed or recorded and the Offering Plan and any amendment thereto.
4. All easements set forth in the By-Laws and Declaration as they are subsequently recorded and in the Offering Plan and Purchase Agreement including:
 - (a) Easements in favor of the Owners of other Units to use the wires, conduits, cable television, and public utility lines located in the Common Elements or in the Unit itself servicing such other Units and/or the Common Elements;
 - (b) Easements in favor of the Board of Managers, its agents, contractors or employees to have a right of access to the Unit and to all the Common Elements to inspect, maintain or repair or to make repairs to the Unit to prevent damage to the Common Elements or any other Units, to make repairs to the Common Elements, to any wires, pipes, conduits or cable television system servicing any of the Units or to make repairs to any other Unit;
 - (c) Easements in favor of those Units having restricted use to portions of the Common Elements;

- (d) Easements for the continuance of encroachments on the Unit and on the Common Elements by other Units or portions of the Common Elements, now or hereafter existing by reason of the rehabilitation of the Units, or hereafter occurring by reason of the settling or shifting of the Units or by reason of the repair and/or restoration by the Board of Managers of the Units or such other Units or such Common Elements, after damage by fire or other casualty or after taking in condemnation or eminent domain proceedings or by reason of an alteration to the Common Elements made by the Board of Managers, so that any such encroachments may remain as long as the Units stand;
- (e) Easements in favor of the Residential Unit Owners for access through the basement to the meter room and any other machinery that services the entire Building or the Residential Units.
- (f) The rights reserved in the Declaration to establish, grant and create additional utility easements in, under and through the Property, to relocate existing easements in any portion of the Property and to dedicate any or all of such facilities to any governmental body, public benefit corporation or utility company;
- (g) Easements for ingress and egress and for construction, installation, operation and maintenance of municipal and private service facilities and utilities;
- (h) Right of access of other Unit Owners through the Common Elements to the public streets; and
- (i) Easements to the Sponsor and any Sponsor affiliate and their successors, assigns, invitees, licensees, contractors and employees, on, in, over and across the Property in connection with the development, maintenance and/or operation by it or its designees of the Condominium or any projects in the vicinity of the Property or any adjoining properties for (1) the construction installation, maintenance, ingress to and egress from the right to use (in common with Unit Owners) all lines, poles, pipes, flues, chutes, conduits, ducts, cables, wires, sewer and storm drainage facilities, water, sewer, electric, plumbing, heating, gas telephone, cable television and other utility lines servicing or located on the Property, supports, enclosures, fire walls, roofings, footings, floorings, foundations, underpinnings, bearing walls, vents, flues or the like; provided such use does not materially interfere with the use of same by the Condominium; (2) ingress to and egress from all land areas of the Condominium, and the use thereof (in common with Unit Owners) for any lawful purpose; (3) the purpose of exhibiting any model Units and the common properties to prospective purchasers or tenants in any other property in the vicinity of the Property which may be developed by the Sponsor or its affiliate, and (4) the erection, maintenance, repair and replacement from time

to time of one or more signs on the site for the purposes of advertising the sale of Units in the Condominium and the leasing of space in any Unit in the Condominium.

5. The lien of unpaid real estate taxes, water charges or sewer rents, provided same are adjusted at the closing of title.
6. Easements and rights of others, including utility companies, to operate and maintain any underground utility lines and the overhead lines and utility poles.
7. Encroachments of walls, watertables, stoops, areas, cellar, steps, trim, coping foundations fences cornices and similar projections, if any, on, over and under the Property or the streets of sidewalks abutting the Property and the right of governmental authorities to require the removal of any such projections, and variations between record lines of the Property and retaining walls, if any.
8. All matters set forth in Infinity Land Services Title No. IL a copy of which is contained in Part II of this Plan.
9. Standard printed exceptions contained in the form of title insurance policy then issued by the title insurance company insuring Purchaser's title to his/her Unit.

In the event any existing mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, each such mortgagee shall at the time of conveyance of the first unit:

- (i) consent to the formation of a condominium and acknowledge that its lien will be limited to unsold condominium units; or
- (ii) subordinate the lien of its mortgage to the Declaration of Condominium;
- (ii) release its lien on the condominium Unit being conveyed and its interest in the Common Elements.

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

The Declaration, By-Laws and floor plans for the Condominium and such other documents, as required by law, will be recorded or filed in the City Register's office prior to the first conveyance of title to a Unit in accordance with The New York Condominium Act.

M. UNIT CLOSING COSTS AND ADJUSTMENTS

The estimated closing costs and expenses to be borne by each Purchaser are as follows:

A. Fee title insurance is available from Capital Abstract, LLC at the estimated rates of \$402.00 for the first \$35,000.00 or fraction thereof of fee title insurance, approximately \$6.67 for each additional \$1,000 of insurance up to \$50,000 or fraction thereof, approximately \$5.43 for each additional \$1,000 of insurance up to \$100,000 or a fraction thereof, approximately \$4.36 for each additional \$1,000 of insurance up to \$500,000 or fraction thereof, approximately \$3.98 for each additional \$1,000 of insurance up to \$1,000,000 or fraction thereof, and approximately \$3.66 for each additional \$1,000 of insurance up to \$5,000,000 or fraction thereof.

B. If Purchaser obtains a mortgage from a lending institution, Purchaser can expect to incur the following costs:

1. Legal fees of the lending institution's attorney;
2. Mortgage title insurance policy costs for a mortgage title insurance policy naming the lending institution as the insured. Mortgage title insurance rates as quoted by Capital Abstract LLC effective as of the date of this Plan as follows (please note that the following premium rates are discounted based upon the simultaneous purchase of a fee and mortgage title insurance policies): \$103.20 for the first \$35,000 or fraction thereof of insurance, approximately \$1.66 for each additional \$1,000 of insurance up to \$50,000 or fraction thereof, approximately \$1.36 for each additional \$1,000 of insurance up to \$100,000 or fraction thereof, approximately \$1.09 for each additional \$1,000 of insurance up to \$500,000 or fraction thereof and approximately \$0.99 for each additional \$1,000 of insurance up to \$1,000,000 or fraction thereof, and approximately \$0.92 for each additional \$1,000 or insurance up to \$5,000,000 or fraction thereof;
3. Mortgage recording tax rates for individual residential condominium units as follows:
 - (i) 2.05% of the principal debt if under \$500,000.00; and
 - (ii) 2.175% of the principal debt if \$500,000.00 or more.

In either case, .25% thereof paid by the mortgage lender, less a \$30.00 credit. The mortgage tax credit, if any, received pursuant to Section 339-ee of the Real Property Law will inure to the benefit of Sponsor;

4. Recording fee for recording of the mortgage is \$32.00 per document and \$5.00 per page;

5. Commitment fee or origination fee, appraisal fee, application fee, credit fee, if any, charged by the lending institution;

Each Purchaser will be free to obtain title and/or mortgage insurance from a title company other than Capital Abstract, LLC, Sponsor, however, makes no representation or warranty as to cost, terms or availability of such other title and/or mortgage insurance.

C. Fees for the recording of the deed and power of attorney are approximately \$32.00 per document and \$5.00 per page.

D. New York State transfer tax of \$4.00 per \$1,000 of the Purchase Price; and New York City Real Property Transfer Taxes which is calculated as follows for residential units:

1. 1% of the Purchase Price if the Purchase Price is \$500,000.00 or less; and
2. 1.425% of the Purchase Price if the Purchase price exceeds \$500,000.00.

These taxes are normally an expense of the Seller; however, by contractual agreement they will be paid by Purchaser. As a result, when a Purchaser assumes the obligation to pay these taxes, the amount of such tax will be included in the consideration subject to tax. Purchasers should refer to the footnotes to Schedule A at page 11 to ascertain the cost and procedure to follow regarding these taxes.

E. In the case of a Unit whose purchase price is \$1,000,000.00 or more, each Purchaser shall pay at the Closing the Additional Tax Due on the Conveyance of Residential Real Property of \$1,000,000 or more, the 1% so-called "Mansion Tax."

F. An amount equal to two months' common charges to the Condominium's working capital fund.

G. All Purchasers will be required to make a \$2,000.00 payment to the Sponsor At closing as partial reimbursement for costs which Sponsor has incurred in preparing and submitting the Offering Plan, including preparation fees, filing fees, registration fees, recording fees, etc.

H. Each Purchaser shall pay \$1,800.00 plus disbursements to Sponsor's attorney representing a fee for services in connection with preparing the Unit Deed, the Unit Owner's Power of Attorney, all the transfer documents and for coordinating and attending the closing. In addition, Purchaser shall pay a travel fee in the amount of \$500.00 to Sponsor's attorney in the event that the closing of title is held at an office other than the office designated by Sponsor.

I. If the Units have not been separately assessed for real estate tax purposes prior to closing of title to the first Unit, Sponsor shall place in escrow, in the name of the Board of Managers an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six month period following the first closing or until the Units are separately assessed, whichever is shorter. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and shall receive reimbursement from Unit Owners at closing of title.

In addition, should the Purchaser elect to obtain a purchase money mortgage, he may be required by the lending institution to deposit monthly with the lending institution commencing with the closing date a reserve for the payment of real estate taxes. The amount of the deposit will be a multiple of the estimated monthly real estate taxes and will vary in accordance with the date of closing of title to a particular Unit.

J. Each Purchaser shall be responsible for the payment of fees of his own attorney.

The fee title and mortgage title policy premiums and the recording charges set forth above are those in effect as of the date of this offering Plan. If said premiums, charges or rates are subsequently revised by the title company the State or Municipality, each Purchaser shall be required to pay the policy premiums and recording charges in effect as of the date of closing title to his Unit.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to Units will be real estate taxes, water and sewer charges, if any, and Common Charges, if they have been declared due and payable by the Board of Managers of the Condominium. The adjustments will be made as of midnight preceding the date of closing of title. In the event there are any other items which are to be apportioned at closing, said items will be adjusted at closing.

Example of Closing Costs:

A numerical example for the costs set forth in this section of the Offering Plan for a typical apartment (Unit 4A) with a purchase price of \$632,000 and a mortgage of \$505,600 are estimated as set forth below. Taxes, insurance and recording rates are subject to change.

a. Title insurance for fee and mortgage, including the simultaneous fee discount:	\$3,225.00
b. Recording costs for deed and power of attorney (approximately):	\$ 350.00
c. Mortgage recording tax (including any payment to Sponsor pertaining to mortgage tax credit):	\$9,702.00
d. Recording cost of mortgage (approximately):	\$ 400.00
e. New York City Real Property Transfer Tax:	\$9,006.00
f. New York State Real Estate Transfer Taxes (deed stamps):	\$2,528.00
g. Offering Plan Reimbursement fee:	\$2,000.00
h. Legal fee of Sponsor's attorney (assuming no travel fee, no assignment and no unauthorized delay in closing by Purchaser):	\$1,800.00
i. Contribution to the working capital fund (two months' common charges):	\$ 562.78

Total **\$29,573.78**

Other fees which cannot be estimated because they pertain to events outside of Sponsor's control and/or statutory requirement include Purchaser's attorney's fee, lender's attorney's fee, possible commitment fee or loan origination fee, appraisal fee, application fee, credit check fee and monthly Common Charges prospectively from the closing date.

N. RIGHTS AND OBLIGATIONS OF THE SPONSOR

1. The Sponsor shall be obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions and to indemnify the Board of Managers and the Unit Owners.
2. All representations under the Plan, all obligations pursuant to the General Business Law and such additional obligations under the Plan which are to be performed subsequent to the Closing Date will survive delivery of the deed.
3. Sponsor agrees to pay all common charges, special assessments and real estate taxes with respect to unsold Unit(s) owned by Sponsor. The Sponsor represents that it has the financial resources to meet its obligations with respect to unsold Units. Sponsor's obligations will be paid for from projected sales and Sponsor's assets which combined are adequate to meet Sponsor's obligations on an ongoing basis. No bond or other security has been posted to secure Sponsor's obligations.
4. Except as set forth below, the risk of loss from fire or other casualty with respect to the Unit shall remain with the Sponsor until the closing of title for the Unit. The Sponsor, at its sole discretion, reserves the right to either repair or restore such Unit, whereupon Purchaser shall be obligated to close without abatement in the Purchase Price, or not repair or restore and grant Purchaser the right to rescind the Purchase Agreement. Subsequent to the filing of an amendment substantiating effectiveness of the Plan, Sponsor may be required to repair or restore as set forth below. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of the Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Any person who takes possession of a unit prior to closing assumes the risk of losses not covered by insurance. Additionally, Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit and Sponsor shall not be obligated to repair any damages to the Unit or his appliances, fixtures and equipment. However, Purchaser does not assume the risk of loss to the Unit if the cause of such loss originated outside this Unit and did not result from the acts of Purchaser or the other occupants of the Unit or Purchaser's guests, invitees or workmen. If the Purchaser is obligated to repair the damage in accordance with the foregoing, then his failure to repair the damage shall not excuse him from paying the balance due under the Purchase Agreement and accepting title to the Unit.

With respect to all risk of loss after an amendment substantiating effectiveness of the Plan has been filed but prior to closing, Sponsor is not obligated or liable to repair the damage or restore the Unit other than to repair damage or destruction from fire or other casualty to the Property to the extent of an amount equaling one half of one percent of the Total Purchase Price set forth on the front cover of the Plan (minus certain amounts which Sponsor is required to spend to cure or comply with any work order from an insurer or to cure or comply with a defect in title or hazardous or dangerous condition against the Property which did not exist on the date of acceptance of the Plan). If Sponsor or (in the event the Declaration is filed) the Unit Owners elect to repair or replace the loss or damage which Sponsor is not required to repair or replace,

the Purchase Agreement shall continue in full force and effect, Purchaser will not have the right to reject title to the Unit or to receive a credit against, or abatement of, the Purchase Price, and Sponsor will be entitled to a reasonable period of time to complete (or to permit the Condominium Board to complete) such repairs or replacements. Purchaser will not be required to repay the balance of the Purchase Price unless and until (i) the 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 will belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser will promptly, upon receipt, turn them over to Sponsor. The provisions of the preceding sentence will survive the closing.

In the event Sponsor is not obligated to restore or repair as set forth above and notifies Purchaser that it does not elect to repair or restore the Unit or if the Unit Owners do not resolve to make such repairs or restoration pursuant to the Condominium's By-Laws, the Purchase Agreement will be deemed cancelled and of no further force or effect and Sponsor will instruct its attorneys to return to Purchaser all sums deposited hereunder (with interest, if any) whereupon the parties will be released and discharged from all obligations and liability hereunder except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor will retain the sums as liquidated damages.

5. Sponsor shall procure fire and casualty insurance pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B.

6. In the event of a dissolution or liquidation of the Sponsor or the transfer of twenty percent (20%) or more of the total number of Units in the Condominium, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

7. The Sponsor will diligently, expeditiously and at its own cost, build and complete the Condominium substantially in accordance with the building plans and specifications identified in this Plan.

Although the Sponsor intends to use the materials, fixtures, appliances and equipment described herein and in the building plans, the Sponsor reserves the right to substitute materials, fixtures, appliances and equipment of equal or better quality or design for any of those set forth. The Sponsor may not substitute equipment or materials of lesser quality or design.

Sponsor reserves the right to change the size, location of Buildings or Units and other improvements or Common Elements provided such changes do not affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which

a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change.

8. Prior to the closing of the first Unit, the sponsor must obtain a permanent certificate of occupancy for the property or, alternatively, obtain a temporary or partial certificate of occupancy for the Unit or the Building in which the Unit to be closed is located. The sponsor must obtain the permanent certificate of occupancy before the partial or temporary certificate of occupancy expires, unless extended.

9. A Permanent Certificate of Occupancy for the Building may not be issued prior to closing the first Unit. In such event, the Sponsor is required to maintain all deposits and funds in a special escrow account required by GBL Section 352-e(2-b) unless the Sponsor's engineer, architect or other qualified expert certifies that a lesser amount will be reasonably necessary to complete the work needed to obtain a permanent certificate of occupancy, in which case the sum exceeding the amount so certified by the Sponsor's engineer, architect, or other qualified expert may be released from the special escrow account.

10. The Sponsor excludes the Housing Merchant Implied Warranty Law (GBL Article 36-B) and all other warranties, express or implied, since same do not apply to this offering. Sponsor will not warrant any of the materials or workmanship within each unit or the common areas. Regardless of any limitations in the warranty or in this offering plan, Sponsor's obligation is to construct the premises in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers and Sponsor's obligation to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

11. At or prior to the closing of a Unit, Sponsor will assign any manufacturer's warranties with respect to equipment and appliances installed in the Unit to the Unit Owner and assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers.

12. The Sponsor agrees to pay for the authorized and proper work involved in the construction and establishment and sale of the Condominium that Sponsor is obligated to complete under the Plan and will cause all mechanics' liens with respect to such construction to be promptly discharged or bonded.

13. The Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers.

14. No bond or other security has been furnished to secure performance of any of the obligations contained in this Section M, including Sponsor's obligations to complete construction of the Condominium.

15. The Sponsor reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of

completing its construction and sale of the Building and Units and facilities in the Condominium and towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television, and other utilities and for any other materials or services necessary for the completion of the work. Sponsor also reserves the right to connect with and make use of the utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along any of the Common Elements. Sponsor will be obligated to pay for the cost of any utilities it uses as a result of its use of the easements, licenses, rights and privileges of a right-of-way. The Sponsor reserves the right to continue to use the Common Elements, in its efforts to market Units in the Condominium. Sponsor will be obligated to repair any damages to the Common Elements caused as a result of its use of the easements, licenses, rights and privileges.

16. The Sponsor will be obligated to pay off and otherwise comply with the terms of any building loan mortgage on the entire Property. In the event there is a building loan mortgage after the recording of the Declaration and before or simultaneously with the closing of title to the first Unit, the Unit to which title is being conveyed and its appurtenant interest in the Common Elements shall be released from the lien of the mortgage on the Property. In addition, before the closing of title to the first Unit, all liens and mortgages affecting the Property shall be paid, bonded or satisfied or the Unit being conveyed and its appurtenant Common Interest shall be released therefrom by partial release duly recorded. Sponsor obtained construction financing from Valley National Bank in the amount of \$2.7 million. At the closing of each unit, 92% of the gross sales price must be paid to the lender for the release of each unit until the loan is paid in full.

17. Pursuant to Section 352-e (9) of the General Business Law, copies of all documents mentioned in this Offering Plan, including without limitation the following, are and will be kept on file at the office of Sponsor set forth on the cover page of this Offering Plan for six years from the date of first closing: this Offering Plan; the proposed Declaration and By-Laws of the Condominium; public liability, fire and casualty policy; and Exhibits submitted to the Department of Law in conjunction with this Plan. A copy of the form of Unit Owner's Purchase Agreement is submitted with this Offering Plan.

18. The Sponsor reserves the right to lease any unsold Units before or after the Declaration has been recorded. Before the plan is consummated, Sponsor may only lease a unit where there is an interim lease as part of an executed purchase agreement. In such events, Purchasers of any such Units will be purchasing Units that have been previously occupied. Such previously rented Units will be delivered in their "as is" condition. Notwithstanding the foregoing, Sponsor intends to sell all of the units and will endeavor in good faith to sell all unit in a reasonably timely manner.

O. CONTROL BY THE SPONSOR

The Sponsor, as owner of unsold Units, will have voting control of the Board of Managers for two (2) years from the date of conveyance of title to the first Unit or whenever the unsold Units constitute less than fifty percent (50%) of the Common Interests, whichever is sooner. The Sponsor, during this indeterminate period, thus will have control of maintenance, facilities and services to be provided and will determine the Common Charges to be paid by all Unit Owners, including the Sponsor, and the enforcement of the Sponsor's obligations. However, during such control period, the Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required: (i) to comply with applicable laws or regulations; or (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. At all times thereafter a majority of the Board of Managers shall be owner-occupants of the Condominium or members of an owner-occupant household who are unrelated to the Sponsor and its principals.

For a period ending not more than five (5) years after the closing of the first Unit or whenever the unsold Units constitute less than twenty-five percent (25%) in number, whichever is sooner, the Sponsor's prior written consent shall be required in order to amend either the Declaration or the By-Laws and to (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$2,500, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any Common Charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee in addition to the employees referred to in this offering Plan, if any, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date the Plan is declared effective, or (v) borrow money on behalf of the Condominium, or (vi) amend the Declaration or the By-Laws.

The first Board of Managers of the Condominium will consist of individuals who are designated by the Sponsor. Within sixty (60) days of the closing of title to the first Unit, a Unit Owner who is independent of the Sponsor will be elected to the Board of Managers by a majority of the then Unit Owners other than the Sponsor to serve on the Board until the first Board of Managers resigns. Within thirty (30) days of the expiration of the voting control period as set forth herein, the Sponsor will call the first annual meeting of the Unit Owners at which time a new Board of Managers unrelated to the Sponsor will be elected. Upon the election of the new Board, the members of the first Board will resign.

The By-Laws do not contain a provision that a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to Sponsor and its principals. Purchasers for their own occupancy may never gain control of the Board of Managers under the terms of this Plan. Owner-occupants and non-resident owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, i.e., purchase as a home as opposed to as an investment.

The detailed provisions for the management of the Condominium are set forth in the By-Laws, found in Part II of the Plan. The By-Laws contain provisions dealing with the election of the Board of Managers, and Condominium officers, powers of the Board of Managers, voting rights of Unit Owners, assessment of Common Charges, foreclosure of liens for non-payment of Common Charges, management of the Condominium and the use of the Units. The By-Laws provide that the Condominium shall be governed by the Board of Managers, but that the Board of Managers shall have the right to legislate a managing agent to carry out such function. Members of the Board of Managers, as such, shall receive no compensation for their services.

P. BOARD OF MANAGERS

The form of the By-Laws and the Declaration of Condominium referred to in the Plan appear in Part II.

The following is a summary of important sections of the By-Laws and Declaration.

The affairs of the Condominium shall be governed by a Board of Managers. The first Board of Managers shall consist of two (2) Managers designated by the Sponsor, and they are Sasson Mahgerefteh and Menashe Mahgerefteh (principals of Sponsor). Others shall be chosen by Sasson Mahgerefteh and Menashe Mahgerefteh, who shall hold office and exercise all powers of the Board of Managers until the first annual meeting of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers other than designees or nominees of the Sponsor shall be Unit Owners. At the first annual meeting of Unit Owners, a maximum of five (5) Managers shall be elected by the Unit Owners. The term of office of each Manager shall be fixed at one (1) year. Separate ballots shall be conducted for each of the three terms of office. Each Unit Owner shall be entitled to cast one vote on each ballot for each Unit he owns. The one (1) nominee of each of the ballots receiving the highest number of votes on their ballot shall constitute the duly elected Board of Managers. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of one (1) year. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board of Managers until two (2) years from the date of conveyance of title to the first Unit or until the unsold Units constitute less than fifty (50%) percent of the common interest. Thereafter the Sponsor shall have the right to designate one (1) member of the Board of Managers so long as it continues to own at least one Unit.

The By-Laws do not include a provision that, after an initial Sponsor voting control period, a majority of the Board of Managers must be owner-occupants or members of an owner-occupant's household who are unrelated to the Sponsor and its principals. Therefore, purchasers who purchase units for their own occupancy may never gain control of the Board of Managers and owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on the management of the condominium.

Within thirty (30) days after title to the last Unit is conveyed by the Sponsor, but in no event later than the earlier of (i) two (2) years after the closing of title to the first Unit or (ii) whenever the unsold Units constitute less than (50%) percent of the Common Interests, the Sponsor shall call the first annual Unit Owners' meeting. At such meeting, a new Board of Managers shall be elected by the Unit Owners and the former members of the Board shall thereupon resign. Thereafter, annual meetings shall be held on the anniversary of such date in each succeeding year. At such meetings there shall be elected by ballot of the Unit Owners a Board of Managers in accordance with the requirements of Article III of these By-Laws.

Special meetings of the Board may be called by the President on two (2) days notice to each

Manager either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in a like manner and on like notice on the written request of at least three (3) Managers.

In order to limit the liability of the Unit Owners, any contract, agreement or commitment made by the Board of Managers or Officers of the Condominium shall state that it is made by the Board of Managers as agent for the Unit Owners as a group only and that no member of the Board of Managers or Officers of the Condominium nor individual Unit Owner shall be liable for such contract, agreement or commitment except that every Unit Owner shall be liable to the extent that his proportionate interest in the Common Elements bears to the total liability under such commitment. The Board of Managers and Officers of the Condominium shall have no liability to the Unit Owners in the management of the Condominium except for willful misconduct or bad faith and the Unit Owners shall severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties except acts of willful misconduct or acts made in bad faith. Such several liability of the Unit Owners shall, however, be limited to the extent that his proportionate interest in the Common Elements bears to the total liability of the member of the Board of Managers.

Officers and Members of the Board of Managers shall serve without compensation.

Managers, other than Sponsor designees, may be removed for cause by an affirmative vote of a majority of the Unit Owners. No Manager, other than a member of the First Board of Managers or a Manager elected or designated by the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner. Such member shall be deemed to have resigned effective as of the date such ownership ceased. A Manager designated by the Sponsor or its designee may only be removed by the Sponsor or its designee and only they shall have the right to designate a replacement.

Any officer elected or appointed by the Board of Managers may be removed with or without cause, at any time, by the affirmative vote of a majority of the whole Board of Managers.

The Declaration may be amended upon a vote of 80% of the Unit Owners in number and common interest held at a duly called meeting of the Unit owners, provided however, that:

- (i) No amendment shall change any condominium parcel, nor a Unit Owner's proportionate share of the Common Charges, nor the voting rights appurtenant to any unit, unless all of the record owner(s) in number and Common Interest thereof and the first mortgagees, if any, of each of these same units agree to such change by recorded instrument;
- (ii) No amendment shall be passed which shall impair or prejudice the rights and priorities of mortgagees; and
- (iii) No amendment will be effective against the Sponsor or its assignees unless the

Sponsor consents thereto in writing.

The By-Laws may be amended upon a vote of 80% of the Unit Owners in number and common interest held at a duly called meeting of the Unit owners, provided however, that:

- (i) The notice of the meeting shall contain a full statement of the proposed amendment;
- (ii) Said amendment shall be set forth in a duly recorded amendment to the Declaration; and
- (iii) No amendment will affect or impair the validity or priority of the Unit Owners' interest and the interests of holders of a mortgage encumbering a Unit or Units to be effective against the Sponsor, its designees or owner of an Unsold Unit unless such Unit Owner, mortgagee or Sponsor shall consent thereto in writing.

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

Sale or Lease of Units by Unit Owners

Each Unit Owner has the right to sell or lease his Unit, provided that he is not in arrears on the payment of Common Charges (except where the payment of such unpaid Common Charges is paid by the Grantee or provided for out of the proceeds of the sale) and provided further that such sale or lease is first offered to the Condominium under the same terms and conditions as the prospective purchasers or lessee has offered to purchase or lease the Unit. See the By-Laws in Part II of the Plan as to the procedure to follow in case of a sale or lease.

Any Unit Owner who wishes to enter into a lease for his Unit shall be required to provide the Board of Managers with a copy of the proposed lease prior to its execution. Any lease entered into must contain a provision that the Lessee is subject to the Declaration, By-Laws and Rules and Regulations of the Condominium. Failure to comply with the above shall be deemed an automatic violation of the By-Laws of the Condominium. See Article VIII Section 10 of the By-Laws regarding other leasing restrictions. A purchaser is free to make a gift of his Unit to anyone during his lifetime or to devise his Residential Unit by wills or to have it pass by intestacy without any restriction, provided, however, that such new Unit Owner shall be bound by and his Residential Unit shall be subject to the foregoing restrictions. No Unit can be sold without a simultaneous sale of the undivided interest in the Common Elements.

The Sponsor or any mortgagee acquiring title to a Unit in a foreclosure can sell or lease a Unit free of any of the foregoing restrictions. Further, the Sponsor may rent a Unit to a purchaser of said Unit if the purchaser so desires, prior to the conveyance of title to said Unit.

The Board of Managers has a right of first refusal with respect to the sale or lease of any Unit, except as set forth in Article VIII of the By-Laws. The Board will notify the Unit owner of its intention to exercise such right within twenty (20) days from the date of receipt of notice from the Unit Owner to the Board of the intended sale or lease. If the Board exercised such right, the closing will occur within forty-five (45) days from the date the Board gives notice to the Unit Owner of its election to accept such offer.

In the event the Board does exercise its right of first refusal, the acquisition or lease of the Unit may be made from the funds deposited in the capital and or expense account of the Condominium or, if such funds are insufficient, the Board may assess each Unit Owner, other than the offering Unit Owner, in proportion to each Unit Owner's interest in the Common Elements, as a common charge, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board may also assess each Unit Owner, as provided above, for maintenance of such Unit. In the event any Units are acquired or leased by the Board the title or lease will be held by the Board or its designees on behalf of all Unit Owners in proportion to their interest in the Common Elements and any sale or lease of such Unit will be made by the Board or its designees on behalf of all

Unit owners in proportion to their interests in the Common Elements. Such Units, while owned or leased by the Board or its designees, may be used for any purpose for which it could be used by an individual Unit Owner. In no event, however, may the Board or its designees at any meeting of Unit Owners vote the votes appurtenant thereto in any election of members of the Board. In any sale or lease of such Unit by the Board of Managers the Board or its designees may not discriminate against any person on the basis of race, creed, color, national origin, sex, disability, age, marital status or other grounds prohibited by law.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage his Unit at any time after he acquires title to the Unit in whatever amount and under whatever terms he can obtain, provided that the mortgage can only be taken from a bank, savings and loan association, mortgage company, life insurance company, pension fund, trust company or other institutional lender. Any Unit Owner may, however, upon the resale of his Unit, grant a purchase money mortgage to a purchaser of his Unit. A Unit Owner may mortgage his Unit only if all arrears for common charges, if any, are provided for at the closing of the mortgage.

Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners and their mortgagees, if requested, annually. Based upon such budget, and any modification thereof, approved by the Board of Managers, all the Unit Owners will be charged for the cost of the operation of the Common Elements of the Condominium in accordance with their interest in the Common Elements as well as submetering, contract allocations and usage. The charges assessed by the Board of Managers ("Common Charges"), in addition to the cost of repairing and maintaining the Common Elements, assessments and other normal operational costs, may include, in the discretion of the Board of Managers, reserves, working capital and other sums necessary to carry on the affairs of the Condominium. In addition, Common Charges may have to be increased as a result of Unit Owners not paying their maintenance charges.

The Condominium has the right to accumulate reserves for capital replacements or other general repairs of the Condominium. However, the Condominium will be taxed on any excess of income over expenses from unrelated sources. An example of unrelated source income includes interest earned on reserve or other invested funds.

Pursuant to Section 339-z of the Real Property Law, the Board of Managers on behalf of the Unit Owners will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers and legal interest thereon prior to all other liens except liens for the payment of taxes and all sums unpaid on a first mortgage of record. The lien shall continue in force even after resale of a Unit except that the Board shall, in accordance with the Declaration, release the lien and right to collect unpaid Common Charges against any purchaser of a Unit where such purchase arises out of a foreclosure of a first institutional mortgage when the Board of Managers has been made a party to the foreclosure action.

The Board of Managers may foreclose the lien in the same manner as a mortgage on real property and in doing so shall be entitled to recover all costs incurred including reasonable attorney's fees. The liability of each Unit Owner for the payment of Common Charges thereafter assessed against his Unit shall terminate upon a sale, transfer or conveyance of such Unit in accordance with the provisions of the Condominium Declaration and By-Laws. Further, any Unit Owner may convey his Unit to the Board of Managers or its nominee, on behalf of all other Unit Owners, without any compensation and in accordance with the Declaration and By-Laws and in such event he shall be exempt from any Common Charges thereafter assessed, but not relieved of his obligation to pay his mortgage. However a Unit Owner may not exempt himself from liability for his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by abandonment of his Unit.

Upon a resale, the purchaser of a Unit shall be liable for the payment of unpaid Common Charges assessed against such Unit prior to the acquisition of such Unit by the purchaser except that a mortgagee who acquires title to a Unit or a purchaser at a foreclosure sale shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges assessed prior to the acquisition of title to such Unit by the mortgagee or purchaser at a foreclosure sale. In such event and in the event of a foreclosure by the Board of Managers of its lien of any Unit for unpaid Common Charges where the proceeds of the foreclosure sale are not sufficient for the payment of such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a common expense.

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

The Sponsor shall be liable for the Common Charges and real estate taxes of all Units to which title has not been transferred to a purchaser commencing when Common Charges are first collected by the Board of Managers. Once title has passed to a purchaser, the purchaser shall be solely responsible for all costs associated with the Unit including but not limited to Common Charges, real estate taxes, any special assessments and all individual utility costs.

Repairs

The cost of repairs to the Common Elements shall be a common expense of the Unit Owners. All maintenance (including electrical repairs and plumbing stoppages in the Units, painting and decorating of the Units), repairs and replacements to the Units including doors abutting a Unit (except painting or maintenance of the exterior surface of windows and doors which open from a Unit which are performed by the Board of Managers) and repairs to pipes, wires and conduits located in and servicing a particular Unit other than as set forth in the Plan shall be made by the respective Unit Owners at their own expense.

In the event that the Unit Owner fails to make any repair or creates any condition which effects the Building in which his Unit is located, the Common Elements, or any other Unit, the

Board of Managers, may, upon notice given in accordance with the provisions of the By-Laws make such repair or correct such condition and charge the Unit for the cost of such service.

In the event it becomes necessary for the Board of Managers to bring any lawsuit or other proceeding to enforce its right to make such repair or correct such condition or to collect any sum due on account thereof, the Board of Managers shall also be entitled to collect reasonable attorney's fees in connection with such suit or proceeding.

The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under the Declaration and By-Laws.

All maintenance, repairs and replacements to the Common Elements of the Property including but not limited to exterior walls of the Buildings, windows, roof and roof members, as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve one or more Units shall be made by the Board of Managers and the cost thereof shall be a common expense by all Unit Owners. The Board of Managers shall repair all plumbing stoppages and electrical repairs occurring in the Common Elements. All maintenance, repairs and replacements to a Unit, whether structural or nonstructural, ordinary or extraordinary, other than to the Common Elements contained therein, will be made by the respective Unit Owners at their expense.

The Board of Managers shall have the right of access to any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained therein or elsewhere in the Buildings or to remedy any condition which would result in damage to any other Unit or the Common Elements, or which would violate the provisions of any mortgage covering another Unit or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof or for the purpose of carrying out any of its obligations under this Offering Plan, the By-Laws or the Declaration of the Condominium. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use of the Units but no prior notice shall be required in the event the Board of Managers shall determine that action is immediately necessary for the preservation or safety of Condominium residents or other persons, or required to avoid the suspension of any necessary service to the Condominium.

Additions, Alterations and Improvements

A Unit Owner can make any interior alterations or improvements to the Unit he desires without obtaining the consent of the Condominium so long as such alterations or improvements do not affect the Buildings or any other common element. Non-structural alterations and improvements to Units that do not affect the exterior of the Buildings or the value of other Units, and non-structural alterations to roof terraces which are designated as Irrevocably Restricted

Areas, may be made without the prior approval of the Board of Managers. In the event such alterations or improvements affect the structural soundness of the Buildings the Unit Owner must first obtain the written consent of the Board of Managers.

All work done by a Unit Owner must be done in accordance with all applicable rules regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof.

The Sponsor shall have the right, without the consent of the Board of Managers, other Unit Owners or the holders of mortgages on Units to make alterations, additions or improvements structural and nonstructural, interior and exterior, ordinary and extraordinary, in, to and upon their Units, provided, however, that in each instance the Unit Owner shall comply with all laws, ordinances and regulations of all governmental authorities having jurisdiction and shall agree to hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom.

The Board of Managers will sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by the Sponsor or his designee to any Unit, provided, however, that the Board of Managers shall not be subjected to any expense or liability by virtue of the signing of the application or other document furnished to the Board of Managers.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire and casualty insurance with extended coverage, water damage, vandalism and malicious mischief endorsements insuring the Buildings, including all of the Units and the bathroom, kitchen and laundry equipment initially installed therein by the Sponsor, together with all heating, any air conditioning equipment and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as such interest may appear, in an amount equal to the full replacement value of the Buildings. Each of such policies shall contain a New York Standard Mortgagee clause in favor of each mortgagee or a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine.

In addition to the insurance set herein, a Unit Owner may desire to insure his personal effects and the interior of the Unit itself for fire and liability. Such insurance, if taken by the Unit owner, will be payable by the unit Owner directly.

The proceeds of all policies of physical damage insurance carried by the Board shall be payable to the insurance Trustee if the loss shall amount to more than \$25,000 to be applied for

the purpose of repairing, restoring or rebuilding the Buildings unless otherwise determined by the Unit owners, as hereinafter set forth.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro-rata liability of the insurer as a result of any insurance carried by the Unit Owners or of the invalidity arising from any acts of the insured or any Unit Owners and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums shall be delivered to all mortgagees of a Unit at least ten (10) days prior to expiration of the then current policies.

The amount of fire insurance to be maintained on the Buildings upon the transfer of title to the first Unit and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will be in the amount of replacement cost (agreed upon amount) for the entire Buildings. The Board of Managers shall review the amount of fire insurance annually.

A New York Bank or Trust Company shall be the Insurance Trustee unless or until replaced by another bank or trust company in the State of New York, designated by the Board of Managers. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall also be a bank or trust company in the State of New York designated by the Board of Managers. The Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense. The Board of Managers shall also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all employees of the Condominium who handle Condominium funds; and (2) in order to limit the liability of Unit Owners for personal injury and tort, public liability insurance covering each member of the Board of Managers and except arising out of occurrences within his own Unit, each Unit Owner, in such limits as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

THE CONDOMINIUM INSURANCE COVERAGE DOES NOT COVER FIRE AND LIABILITY INSURANCE FOR THE PURCHASER'S PERSONAL EFFECTS AND INTERIOR OF THE UNIT. PURCHASERS ARE ADVISED TO SECURE SUCH COVERAGE.

Where a Unit is damaged by casualty and the proceeds of insurance are not sufficient to cover the repair of the damage, the amount necessary to restore the Unit over and above the proceeds from any fire insurance on the Units will be a Common Charge to all Unit Owners. In order to protect the Unit Owner against the possibility of such common charges, the Board of Managers determines the amount of blanket casualty insurance covering all Units (the cost of such insurance is part of the Common Charges) and reviews the amount of such coverage annually. In the event of damage to or destruction of the Buildings as a result of fire or other casualty, the Board of Managers shall arrange for the prompt repair and restoration of the Building and the Board of Managers or the Insurance Trustee shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a common expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges. In the event of a casualty loss, the Unit Owners will continue to pay the Common Charges on their Units.

If 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not resolve to proceed with repair or restoration, the property comprising the Condominium shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common in which event the net proceeds of sale, together with the net proceed of insurance policies shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy.

Refer to Schedule B for details of the estimated insurance costs of the Condominium.

Restrictions on Occupancy and Use

There is no restriction upon ownership of a Unit. Occupancy of a Unit, however, may only be for residential purposes in accordance with the applicable zoning regulations of the municipality having jurisdiction over the Condominium. Notwithstanding the foregoing, the Sponsor may, without permission of the Board of Managers, retain ownership of one or more Units for use as models or sales and/or promotional offices in connection with the sale or rental of Units.

The By-Laws of the Condominium contain the following use restrictions: No immoral, improper, offensive or unlawful use shall be made of the Condominium nor any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Unit Owners, their families, employees, guests and any permitted pets shall not use or permit the use of the Units and Common Elements in any manner that would be illegal, disturbing or a nuisance to other Unit Owners. Except for the Sponsor, no Unit Owner

shall put any advertisement, poster or for sale signs of any kind in or on the Condominium without the consent of the Board of Managers. It is prohibited to hang garments, rugs, etc. from the windows or from the Buildings or to string clothes lines on or over the Common Elements or to use any of the Common Elements, other than those specifically designated, for storage. No Unit Owner shall paint the exterior surfaces of the windows walls or doors opening out of his Unit.

NO DOG, CAT, BIRD, REPTILE OR ANY OTHER ANIMAL SHALL BE KEPT OR HARBORED IN THE BUILDING UNLESS EXPRESSLY PERMITTED IN WRITING BY THE BOARD OF MANAGERS, WHICH CONSENT, SHALL BE REVOCABLE BY THE BOARD. THIS PROVISION SHALL NOT APPLY TO ANY SALE OF A UNIT BY THE SPONSOR.

Other Material Provisions of the Declaration or By-Laws

Ownership of a Unit in the Condominium subjects the Unit Owner to compliance with the provisions of the Declaration and By-Laws as well as any rules and regulations contained in the Declaration or By-Laws or established by the Condominium in accordance therewith. The rules and regulations set forth in the By-Laws and Declaration can be found in Part II of the Plan. The Board of Managers can institute legal actions to enforce compliance with the provisions of the Declaration and By-Laws as well as the rules and regulations established therewith.

Please refer to the By-Laws and Declaration in Part II of this Plan.

R. REAL ESTATE TAXES

After the Units are 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 subjected to, any lien arising from the non-payment of taxes on other Units.

If the Units have not been separately assessed for real estate tax purposes prior to closing of title to the first Unit, Sponsor shall place in escrow, in the name of the Board of Managers, an amount equal to the unpaid real estate taxes which will be levied against the parcel for the six-month period following the first closing or until the Units are separately assessed, whichever is shorter. The Board of Managers will pay the real estate taxes from the escrow account when taxes are due and payable and shall receive reimbursement from Unit Owners at closing of title.

Until Units are separately assessed, real estate taxes and thus the partial tax exemption will be allocated among the Units based on their respective percentages of Common Interest. However, once Units are separately assessed, there is no assurance that the New York City taxing authority will allocate taxes and the tax exemption among the Units in accordance with their percentages of Common Interest.

Real Estate Taxes Without Benefit of Section 421-a

The estimated monthly costs and charges to be incurred by the owner of each Unit in the first year in which the property will be fully subject to real estate taxes are set forth on Schedule A. The estimate of real estate taxes for the projected first year of operation is based upon the following as determined by Boris Saks, Esq., PLLC, the Sponsor's real estate tax consultant. Such estimates are also based upon valuation amounts and tax rates following completion of the construction of the Buildings. The estimates are (i) a taxable assessed valuation estimate in the amount of \$116,028.00, and (ii) a projected tax rate of 12.892%.

The actual taxes for the Property for the 2017/18 tax year are estimated to be \$1,201.00 based on a taxable assessed valuation of \$9,316.00 and a tax rate of 12.892% which valuation and tax rate are based upon the condition of the Property as of January 5, 2017. The assessing authority that determines the tax rate and the assessed valuation is the New York City Department of Finance.

Real Estate Taxes with Partial Exemption Under Section 421-a

The Sponsor will apply and use its best efforts to obtain a partial exemption from real estate taxes with respect to the Property pursuant to Section 421-a of the New York Real Property Tax Law. Assuming that the criteria set forth in Section 421-a and elsewhere for the receipt of these benefits (see below) are met, the Units will be eligible for a partial real estate tax exemption during the construction of the Buildings and for a period of fifteen (15) years after the Buildings are considered to be completed for purposes of the statute.

According to Boris Saks, Esq., PLLC, the Sponsor's real estate tax consultant, 100% of tax increased assessed value of the Property resulting from the improvement therein (i.e. the assessed value above the pre-construction assessed value) should be exempt from taxation during construction (not to exceed three (3) years) and during the eleven (11) years following completion of construction. Beginning in the twelfth (12th) year following completion of construction, the percentage of exemption decreases by 20% each year for a period of four (4) years. Full taxes are payable in the sixteenth (16th) year following completion of construction. The following schedule illustrates the percentage of benefits for the duration of the exemption:

Year(s)	% of original exemption
1-11	100%
12	80%
13	60%
14	40%
15	20%

Projected real estate taxes for Units during the first year of Condominium ownership, assuming the Property receives Section 421-a benefits, are based upon an estimate that the aggregate real estate taxes for the Units for such first year will be approximately \$1,201.00. These estimates are based upon a (i) pre-construction taxable assessed valuation of \$9,316.00 and (ii) a tax rate of 12.892%, which tax rate has been estimated by Boris Saks, Esq., PLLC.

The Sponsor represents that it will keep all records required by The New York City Department of Housing Preservation ("HPD") and will make them available to HPD whenever requested to do so. HPD routinely conducts audits which can result in the reduction or revocation of benefits if proper documentation is not provided.

Upon closing, the Sponsor will make all tax benefit documents available to the Board of Managers for inspection and copying for the life of the benefits. Sponsor will file all applications and timely comply with all procedures required to properly process and maintain the tax benefits.

Notwithstanding the foregoing, no guaranty or warranty is made as to when or whether the application for Section 421-a partial tax exemption benefits will, in fact, be submitted or approved, or as to the amount of any tax exemption benefits that may actually be received. In this regard, Purchasers should note that to the extent receipt of the Section 421-a benefits depend upon the date on which the construction of the Buildings are completed, such receipt would be jeopardized if construction is delayed due to causes within or beyond the Sponsor's control.

If, for any reason (including, without limitation, Sponsor's failure to satisfy any of the criteria for obtaining Section 421-a benefits for the Property, regardless of whether within or beyond Sponsor's control), Sponsor's application to obtain Section 421-a tax exemption benefits for the Property is either not submitted or not approved, the Units will be subject to full taxation and will receive no benefits under Section 421-a. If such eventuality occurs, Purchasers under

this Plan will have no right to rescind their Purchase Agreements, will continue to be obligated to pay their full purchase prices without any offset or credit and will have no claim against the Sponsor by reason of the same. Consequently, Schedule A to the Plan contains projections of monthly real estate taxes and total monthly carrying charges assuming both that Section 421-a benefits will be available to the Property and assuming that such benefits will not be available.

Boris Saks, Esq., PLLC, has opined, but does not guaranty, that predicated upon the assumptions and representations stated in his opinion letter and subject to the caveats and conditions described above and in such opinion letter, the Units will be entitled to receive the partial real estate tax exemption benefits available under the Section 421-a program. Boris Saks, Esq., PLLC's, opinion letter is based solely on the facts and documents referred to therein. The Sponsor and Boris Saks, Esq., PLLC, counsel to the Sponsor, strongly advise each person who is contemplating the purchase of a Unit to consult with his or her own attorney, accountant, or other financial advisor as to all of such matters (including the partial tax exemption benefits discussed above and in Boris Saks Esq., PLLC's opinion letter). Neither the Sponsor, the Selling Agent, nor Boris Saks, Esq., PLLC guaranty that such partial tax exemption benefits will be allowed to any Unit Owner or Owners. No warranties are made that the laws, the regulations or rulings issued thereunder, or any judicial interpretation thereof, upon which Boris Saks, Esq., PLLC has based their opinion letter, will not change. In no event will the Sponsor, the Selling Agent, Boris Saks, Esq., PLLC or any other person or firm connected with the offering be liable if it is determined that the Units do not qualify for tax exemption benefits under the Section 421-a program, or, if granted, if such benefits are later reduced or revoked. Sponsor will use its best efforts to obtain 421-a tax benefits. Purchasers will not be required to reimburse Sponsor for costs associated with the tax benefit application but Purchasers will not be entitled to rescission in the event that the benefits are not obtained. If, prior to consummation, Sponsor rents any residential units (or a portion thereof) to any person other than an interim lessee, Sponsor is obligated to abandon the offering plan. Sponsor has fifteen (15) months from the date of the issuance of a final certificate of eligibility by the New York City Department of Housing Preservation and Development to declare this offering plan effective.

Since this Condominium is not located within the statute's geographic exclusion area (421-a[7](a)(ii)) it is not required to satisfy the requirements concerning "affordable units". No restrictive declaration concerning affordable units has been recorded against the premises.

Since the building contains less than 50 residential units it is exempt from the prevailing wage requirement.

Sponsor intends that the building shall be exempted from the statutory obligation to register the units as rent stabilized by reason of its condominium status.

The foregoing estimates both with and without Section 421-a partial tax exemption benefits were based on existing tax rates, current City of New York assessing policies and the Sponsor's description of the Buildings to be constructed on the Property. However, no guaranty or warranty is given that the projected amounts, including assessed values and rates, will

approximate the actual amounts, that the New York City Real Estate Tax Assessment Bureau will allocate the assessed value by percentage of interest in the Common Elements, or that the assumptions upon which the tax calculations were based will remain valid.

The Sponsor anticipates that the real estate tax rate will increase in future years rather than remain constant. The estimates of projected real estate taxes in this Offering Plan have been prepared by the Sponsor and cannot be construed as an assurance of the final tax costs, but are merely estimates based upon information available to the Sponsor at this time. Actual assessments may vary depending on such factors as changes in tax rates, method of assessment, etc. In no event will the Sponsor, Sponsor's counsel or Sponsor's consultant be liable to any purchaser under this Plan, nor will any purchaser have the right to rescind his Purchase Agreement, in the event the amount of the taxes and assessed valuation differ from those projected nor if the method of allocating taxes is done in a manner different from that indicated in Schedule A of the Plan.

There are no open tax certiorari proceedings pending with respect to the Property. Each Unit Owner shall designate the Board of Managers as his attorney-in-fact, which power shall be deemed coupled with an interest to act as agent for such Unit Owner in accordance with Section 339-y of the Real Property Law to complain or apply to the board of assessment review of the assessing agency by filing a single complaint on behalf of all such Unit Owners, to commence and prosecute a special proceeding and to seek administrative and judicial review of assessments. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and to charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees, for which charges the Board of Managers shall have a lien pursuant to Section 339(z) of the Real Property Law.

Each Unit Owner shall at the closing of title to his Unit execute an instrument substantially in the form included in Part II, authorizing the Board of Managers and the Sponsor to act on such Unit Owner's behalf.

Upon formation, the homeowners association or condominium management association will likely be exempt from income tax. Section 528 of the Internal Revenue Code exempts a homeowners association or condominium management association from income tax under the following conditions: (1) the association is organized to manage and operate property and maintain real property of the association; (2) 60% or more of the gross income of the association in any given tax year consists solely of membership dues, fees and assessments from owners of residential units in the condominium; (3) 90% of the expenses paid by the association are expenses associated with the management and maintenance of the association property; (4) no part of the net earnings of the association inures to the benefit of any one shareholder or individual; and (5) the association elects to have this Section 528 apply for a given tax year.

BORIS SAKS, ESQ. PLLC

January 19, 2017

783 E 9th LLC
175 Great Neck Road
Great Neck, NY 11021

Re: 781 East 9th Street
Block 6497, Lot 55
Borough of Brooklyn

Gentlemen:

We have prepared this letter in response to your request for a projection of the estimated real estate assessments and taxes upon the completion of construction of the subject premises and transfer to a Condominium Association.

In preparing our projections we have relied on the following information provided to us regarding this project:

1. The first year of condominium operation shall commence on July 1, 2017;
2. Upon completion of construction the subject property will consist of 13 residential units and 7 parking units;
3. The proposed total gross square footage, excluding lobby area, common area hallways, elevator shafts, etc., is approximately 15,700 square feet; and
4. The site contains approximately 4,000 square feet of total land area.

There are three generally accepted methods in appraising real property, the comparable sales price method, the capitalization of income method and the cost of reproduction method.

The cost of reproduction method is based on the theory that the value of a property can be determined by adding the land acquisition cost to the construction cost.

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The capitalization of income method is based on the notion that the annual net income generated by the property, divided by an expected rate of return provides a reasonable estimate of market value.

The sales price method looks at sales prices of properties of comparable size, location and use which were sold relatively proximate to the valuation date to determine market value.

In setting a market value, Finance's Real Property Assessment Department will typically use any or all of these three approaches to arrive at a market value.

Additionally, state law requires that Finance value cooperatives and condominiums as if they are rental apartment buildings. This means that Finance's value estimate is not based on sale prices of the individual condominium units, but rather on an estimate of the rent that would be charged for the units in the cooperative and/or condominium building if the units were rental apartments.

Conciliation of the three methods of appraisal results in an estimate of fair market value for the property of \$2,000,000.

For purposes of taxation, Finance divides real property into four tax classifications. Tax Class 1 includes most residential property of up to three units, vacant land that is zoned for residential use, and most condominium buildings that are not more than three stories. Tax Class 2 includes all other property that is primarily residential, such as apartment buildings, cooperatives and condominiums. Tax Class 3 includes property with equipment owned by a gas, telephone or electric company. Tax Class 4 includes all commercial and industrial property, such as office or factory buildings. Upon completion of construction the subject property will be in Tax Class 2.

At the present time, the Department of Finance assesses property in Class 2 at 45 percent of its market value. Therefore, the projected assessed value of the subject property is estimated to be \$900,000 ($\$2,000,000 \times 45\%$).

The assessed value is then multiplied by the Tax Class 2 tax rate to determine the real estate tax liability. Based on our projected assessed value of \$900,000 and the current Tax Class 2 tax rate of 12.892% the real estate taxes upon completion of construction will be approximately \$116,028 ($900,000 \times 12.892\%$) before taking into account any exemptions.

421-a

The construction of the subject property may entitle the property to a partial real estate tax exemption pursuant to Section 421-a of the New York State Real Property Tax Law and Section 11-245 of the New York City Administrative Code.

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In order to qualify for an exemption pursuant to Section 421-a, the following requirements must be met: (1) the property must be located within a geographic area which qualifies for a 421-a property tax exemption; (2) the building must be constructed substantially in accordance with plans approved by the Department of Buildings and the Department of Housing Preservation and Development ("HPD") must be notified of any changes; (3) HPD must determine that the property was under-utilized for 36 months prior to commencement of construction; (4) a preliminary Certificate of Eligibility must be issued by HPD after commencement of construction but prior to the issuance of a Certificate of Occupancy and such Certificate must be filed with the Department of Finance; (5) a Certificate of Occupancy for all of the residential areas in the building must be filed with HPD within 6 months after the filing for a Final Certificate of Eligibility; (6) the Final Certificate of Eligibility must be filed with the Department of Finance. In this instance, the preliminary Certificate of Eligibility has been issued by HPD and a copy has been filed with the Department of Finance. Attached is a copy of the HPD preliminary certificate. We believe this property will qualify for a 421-a tax exemption as long as all filings are made on a timely basis with HPD and the Department of Finance and construction is not extensively delayed. The building is not located within a Geographic Exclusion Area which means that it will not require an affordable housing component in order to qualify for a 421-a exemption. Additionally, the site was occupied by a single family home for many years prior to commencement of construction, thereby deeming the property under-utilized. The plans approved by the Department of Buildings call for an all-residential structure consisting of 13 units with accessory parking thereby qualifying the building for 421-a benefits.

If the property meets all eligibility requirements the subject property will be exempt from taxes resulting in an increase in the assessed value due to the construction for a period of 15 years. The following table illustrates the percentage of the increased assessed valuation which is exempt per year:

<u>Years</u>	<u>% Exempt</u>
1-11	100%
12	80%
13	60%
14	40%
15	20%
16	0%

Based on a pre-construction assessed valuation of \$9,316 for tax year 2012/13, and the current Tax Class 2 tax rate of 12.892%, the projected real estate taxes for the subject premises will be approximately \$1,201 for the first year of condominium operation. The Department of Housing Preservation And Development has issued a Preliminary Certificate of Eligibility for the 421-a property tax exemption on October 19, 2016. A copy of said Certificate is attached hereto.

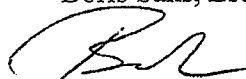
BORIS SAKS, ESQ. PLLC

The projected real estate taxes contained herein are a good faith estimate, but are in no way a representation or warranty of what the actual assessed values or real estate taxes will be. It is not possible to estimate with any degree of certainty the actual taxes to be levied against a property, and therefore it is likely that the taxes will be substantially lesser or greater than estimated herein. Our firm assumes no liability as a result of any differences between our projections and the actual taxes levied.

We consent to the inclusion of this letter in the offering plan.

Very truly yours,

Boris Saks, Esq. PLLC

A handwritten signature in dark ink, appearing to be 'BS' or 'Boris Saks', written over a horizontal line.

Boris Saks, Member



Department of
Housing Preservation
& Development
nyc.gov/hpd

DEPARTMENT OF HOUSING PRESERVATION
AND DEVELOPMENT
VICKI BEEN, Commissioner
421-a Partial Tax Exemption Program
Office of Development-Division of Housing Incentives
100 GOLD STREET, NEW YORK, N.Y. 10038
(212) 863-8540

Preliminary Certificate of Eligibility

Docket #: TEO11658

Owner : 783 E 9TH LLC

Owner Address : 175 GREAT NECK ROAD
GREAT NECK, NY 11021

Address	Borough	Block	Lot	Permit Date	Construction Start Date
781-783 East 9 Street	Brooklyn	06497	0055	05/01/2014	05/01/2014

Total Number of Units: 13

Preliminary Initial Adjusted Monthly Rent Per Room: Condo
Ineligible AFA: 0.00%

Comments: 1. 13 RESIDENTIAL UNITS + RESIDENTIAL PARKING (1ST FL)

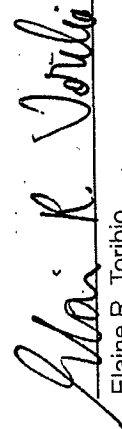
This Certificate is for construction benefits only. Upon issuance of a Final Certificate of Eligibility, this project will be entitled to: 15 Year Tax Exemption. Subject to the Exemption Cap.

Based upon the information contained in the Application for Preliminary Certificate of Eligibility for Partial Tax Exemption filed 03/09/2016 and a determination by the Commissioner, the applicant, pursuant to Section 421-a of the Real Property Tax Law and the 421-a Rules of the Department of Housing Preservation and Development issued pursuant thereto, is hereby granted this Preliminary Certificate of Eligibility for Partial Tax Exemption for the above premises, except as to those portions of the new building, if any, which are non-residential and which exceed the allowable 12% of Commercial, Community Facility and Accessory Use Space.

This Certificate is conditioned upon the filing and approval of a Final Application to be submitted to the Department of Housing Preservation prior to initial occupancy (for multiple dwellings owned as a rental), and prior to the first taxable status date following the completion of construction (for multiple dwellings owned as a co-op or condo), and the submission of the temporary or permanent certificate of occupancy issued by the Department of Building as evidence of the fact that the structure was completed. It entitles the property to benefits while under construction for up to three years. It is the applicant's responsibility to complete the necessary filing in order to obtain a Final Certificate of Eligibility. This Certificate must be filed with the New York City Department of Finance immediately upon issuance.

Date of Issuance:

OCT 19 2016


Elaine R. Toribio
Director, Tax Incentive Programs

OCT 19 2016

SRJ

BORIS SAKS, ESQ. PLLC

May 23, 2017

783 E 9th LLC
175 Great Neck Road, Suite 309
Great Neck, New York 11021

Re: The Highline Condominium

Dear Sirs/Madam:

We note that the Offering Plan for the above-captioned Condominium states that it is believed that the monthly payments of interest on any mortgage which becomes a lien on a Condominium Unit by a Unit Owner who uses his Unit as his principal residence or the one other residence that he selects pursuant to Section 163(h) (5) (A) (ii) (II) of the Internal Revenue Code of 1986 (the "Code") and the real estate taxes payable by a Unit Owner which are assessed against his Unit by any governmental taxing authority, are a proper deduction in connection with Federal and New York City and State Income Taxes payable by the owner of such Condominium Unit.

We have given this matter careful study and it is our opinion that, pursuant to the provisions of the Internal Revenue Code (See Revenue Ruling 64-31, C.B. 1964-300) and the corresponding provision of the New York State Law (See Section 615 of the Tax Law), such interest payments and the aforesaid real estate payments are proper deductions by the owner of a Condominium Unit, in connection with his Federal and New York City and State income taxes. In addition, certain Unit Owners who are veterans of the United States Armed Forces may be entitled to deductions covering part of the real estate taxes applicable to their Units.

Section 528 of the Code affords certain Condominiums, substantially all of whose Units are used for residences, the opportunity to elect to be treated as tax exempt organizations. In order to qualify, sixty percent (60%) or more of the gross income of each must consist of amounts received as membership dues, fees or assessments from the Unit Owners and ninety percent (90%) or more of the expenditures of each must be for the acquisition, construction, management, maintenance and care of the Condominium Properties, which properties, as defined in Section 528 of the Code, include property held by the Condominium commonly held by the members of the Condominium, or property within the Condominium held by the members of the Condominium. Based upon our examination of the Offering Plan and subject to the Condominium actually satisfying the minimum percentage income and expenditure criteria set forth above, it is our opinion that the Condominium will be eligible to be treated as a tax-exempt organization under Section 528 of the Code.

Such an election will exempt from Federal and New York City and State Income Taxation all amounts received by the Condominium from the homeowners as membership dues, fees or

BORIS SAKS, ESQ. PLLC

assessments. The Condominium will be taxed however, on any excess of income over expenses from unrelated sources. Examples of unrelated source income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the Unit Owners. In the event either the Condominium fails to qualify for and elect Section 528 taxation status in any year, it may, to the extent it has any income from unrelated sources or from accumulated revenues received by virtue of dues, fees and assessments received from Unit Owners not expended in any taxable year, be subject to Federal and New York City and State Income Taxation (See Rev. Ruling 74-99, 1974-1 C.B. 131).

We have considered the relevant cases and rulings on the tax status of the Condominium, including Revenue Rulings 74-17, 74-991 73-370 and 75-371. These rulings, under certain circumstances, permit assessments for capital replacements and new or replacement equipment to be excluded from the Condominium's income and be treated for tax purposes as additional capital contributions. In such case, each Unit Owner's assessment for such purposes would add to his tax basis. Although the Condominium described in the Plan may be deemed a taxable entity under such rulings, assuming that assessments for capital purposes, including reserves, are properly designated and accounted for, and that certain other special purpose assessments are properly treated as trust funds, the Condominium should not realize any significant amount of taxable income, other than with respect to incidental investment income, such as interest earned on reserve funds deposited in bank accounts.

Based upon the determination of licensed real estate brokers, it is our opinion that Sponsor has complied with Real Property Law Section 339(i) in assigning the percentage of Common Interest to each Unit. The Common Interest of each Unit 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 pursuant to Section 339-i(1)(iv) of the Real Property Law of the State of New York.

No warranty or representation can be made that the United States Treasury Department, the Department of Taxation and Finance of the State of New York or the Department of Finance of the City of New York, will allow the income tax deductions referred to herein if the tax laws or the regulations issued thereunder or any judicial interpretation to thereof change. Under no circumstances will the Sponsor or counsel to the Sponsor or any person be liable if the United States Treasury Department, Department of Taxation and Finance of the State of New York or the Department of Finance of the City of New York fail to allow the income tax deductions by future changes of fact or law including statutes, regulations, rulings and judicial determinations.

In our opinion, the Condominium will be eligible for tax-exempt status, if it elects such status, and Unit Owners will be entitled to income tax deductions. However, this opinion is not a guarantee; it is based on existing rules of law applied to the facts and documents referred to above. No assurances can be given that the tax laws upon which counsel base this opinion will not change. In no event will the Sponsor, the Sponsor's Counsel, the Board of Managers of the Condominium, the selling agent, or any other person be liable if there are changes in the facts on which counsel relied in issuing this opinion or if there are changes in the applicable statutes, regulations, decisional law or Internal Revenue Service rulings on which counsel relied which cause the Condominium to cease to meet the requirements of Section 528 of the Internal Revenue Code of 1986, as amended, or the New York State Tax Law, as amended, and cause the Unit Owners not to be entitled to income tax deductions.

S. OPINION OF COUNSEL

BORIS SAKS, ESQ. PLLC

It is our understanding that this letter will be made a part of the Offering Plan of the Highline Condominium.

Very truly yours,

Boris Saks, Esq., PLLC

By:


Boris Saks, Member

T. RESERVE FUND

No reserve fund is being established by the Sponsor. In the event there is a need for major capital expenditures, the Condominium will assess a charge to each Unit in accordance with its percentage of Common Interest.

U. WORKING CAPITAL FUND

At each Unit closing the Sponsor shall collect an amount equal to two months of that Unit's common charges from each Purchaser to be paid to the Board of Managers for its working capital ("Working Capital Fund") which shall be used to pay any net closing adjustment owed to the Sponsor by the Condominium Board or for such other appropriate purposes permitted under the Declaration and the By-Laws as well as determined by the Board of Managers in its sole discretion. Adjustments for prepaid expenses between the Sponsor and the board of Managers may be deducted only from the Working Capital Fund.

While the Sponsor is in control of the Board of Managers, the Working Capital Fund may not be used to reduce projected Common Charges in the Plan.

NO REPRESENTATION IS MADE THAT THE INTIAL WORKING CAPITAL FUND WILL BE ADEQUATE TO COVER CURRENT OR FUTURE EXPENSES, INCLUDING REPAIRS OR REPLACEMENTS

NEITHER THE OFFICE OF THE ATTORNEY GENERAL NOR ANY OTHER GOVERNMENTAL AGENCY HAS PASSED UPON THE ADEQUACY OF THE WORKING CAPITAL FUND.

V. MANAGEMENT

For the first year after the conversion to a Condominium, Sponsor will manage the building at no extra charge to unit owners. After the first year it is expected that the Condominium will be self-managed. Should the Board of Managers at any time elect to employ a managing agent it will be an additional cost to the Condominium resulting in an increase in Common Charges.

Activities that the Unit Owners will need to perform if there is no managing agent include maintenance of bank accounts, collection and payment of Common Charges, processing individual Unit sales, supervision of Condominium employees (if any), day-to-day operation of the Condominium, compliance with governmental laws, filing of tax returns, enforcement of Condominium rules, seizure and sale of delinquent Units and response to Unit Owner complaints, questions or issues.

W. IDENTITY OF PARTIES

Sponsor/Principals of Sponsor

The Sponsor is 783 E 9th LLC, a New York limited liability company with offices at 175 Great Neck Road, Suite 309, Great Neck, New York 11021. The principals of the Sponsor are Sasson Mahgerefteh and Menashe Mahgerefteh. Neither the Sponsor nor any of its principals have made any prior offerings of either condominium or cooperative units within the past five years. Both principals have been in the business of building and/or remodeling residential properties for more than 10 years. Neither the Sponsor nor its principals has had any felony convictions, bankruptcies, injunctions or judgments.

Attorneys

The Sponsor has retained the law firm of Boris Saks, Esq., PLLC; 1732 East 12th Street, Brooklyn, New York 11229 to prepare the Offering Plan.

Professional Engineer

Sponsor's professional engineer is Sion Assoc NY, LLC; 245-02 Jericho Turnpike, Floral Park, New York 11001.

Selling Agent

The Sponsor is the Selling Agent for the Plan. The Sponsor has no previous experiences as a selling agent for any offerings of condominium or cooperative interests in real property.

X. REPORTS TO UNIT OWNERS

It is the obligation of the Board of Managers of the Condominium to give all Unit Owners annually:

1. A financial statement of the Condominium prepared by a certified public accountant or public accountant within three (3) months of the end of each fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
2. Prior notice of the annual Unit Owners' Meeting; and
3. A copy of the proposed annual budget of the Condominium within thirty (30) days prior to the date set for adoption thereof by the Board of Managers; while the Sponsor is in control of the Board of Managers, such budget shall be certified.

Y. DOCUMENTS ON FILE

The Sponsor shall keep copies of the Plan, all documents referred to in the Plan and all Exhibits submitted to the Office of the Attorney General in connection with the filing of the Plan, on file and available for inspection without charge and copying at a reasonable charge at the office of the Sponsor for six (6) years from the date of first closing. The Sponsor shall deliver to the Board of Managers a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit.

Z. GENERAL

There are no lawsuits, administrative proceedings, or other proceedings the outcome of which may materially affect the Offering, the Property, Sponsor's capacity to perform all of its obligations under the Plan, the Condominium or the operation of the Condominium.

The Property has not been the subject of any prior cooperative or condominium offerings. No preliminary binding agreements have been entered into and no money has been collected from prospective purchasers. There have been no market tests pursuant to Cooperative Policy Statement No. 1.

No contracts or written agreements, written or oral, have been entered into for the sale or transfer of any of the units offered in the 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 units, prior to the submission of the Plan to the Department of Law

Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law.

If there is a material amendment to the Offering Plan that adversely affects the Purchasers, Sponsor will grant Purchasers a right of rescission within fifteen (15) days after the date of presentation of the material amendment. The Sponsor will return any deposit or down payment to Purchasers who rescind.

AA. SPONSOR'S STATEMENT OF SPECIFICATIONS OF BUILDING CONDITIONS

Sponsor adopts the Description of Property and Building Condition set forth in Part II of the Plan, and represents that it has no knowledge of any material defects or need for major repairs to the Property except as set forth in the Description of Property and Building Condition.

783 E 9th LLC

Dated: Brooklyn, New York
_____, 20____

PART II

EXHIBIT "A"

PURCHASE AGREEMENT ("Agreement")

THE HIGHLINE CONDOMINIUM

781 East 9th Street, Brooklyn, New York 11230 ("Condominium")

Purchaser(s): _____

Address: _____

Telephone No.: _____

Social Security No.: _____

Attorney: _____

Attorney's Address: _____

Attorney's Phone No.: _____

Attorney's E-mail Address: _____

Dated as of: _____

Unit No.: _____ Common Interest: _____ %

Total Purchase Price: \$ _____

Down Payment
(10% of Purchase Price) \$ _____

Balance Due at Closing \$ _____

1. Agreement to Purchase. Purchaser agrees to purchase from 783 E 9th LLC ("Seller") Unit No. _____ and a _____ % undivided appurtenant interest in the Common Elements of the Condominium upon the terms set forth herein, for the Total Purchase Price shown above. Purchaser is delivering to Seller a check for the Down Payment shown above to the order of "Boris Saks Esq., PLLC as attorney", which Seller acknowledges receiving. If the Down Payment check is not collectible for any reason, this Agreement shall, at Seller's option, be null and void. When Seller delivers the deed for the Unit, Purchaser will give Seller or anyone Seller designates Purchaser's personal certified check or an official bank check payable as per the instructions of Seller, for the Balance Due at Closing shown on the first page, drawn on a New

York City bank which is a member of the New York Clearing House Association. Purchaser understands, however, that this Agreement will not have any legal effect, until Seller has signed a copy of this Agreement and forwarded it to Purchaser, and that Seller has no obligation whatsoever to do so.

2. Definitions. All of the capitalized terms used in this Agreement shall have the same meanings as they do in the Condominium Offering Plan for The Highline Condominium (the "Plan"), unless the context requires otherwise. The term "Purchaser" shall be read "Purchasers" if more than one person is a Purchaser, in which case the obligations of each Party signing this Agreement shall be joint and several.

3. Closing of Title. The closing of title shall take place on no less than thirty (30) days' prior written notice to Purchaser at such place as Seller may designate, at an hour and on a date (the "Closing Date") to be specified by Seller. Such date shall be no earlier than ten (10) days after the date of which written notice is given to Purchaser that the Plan has been declared effective (unless Purchaser and Seller shall agree on an earlier Closing Date). Seller shall have the right, from time to time, to adjourn the Closing Date on written notice to Purchaser. If adjourned, Seller shall fix a new date and time for the closing of title to the Unit and shall give Purchaser not less than five (5) days written notice of the newly scheduled Closing Date. Purchaser shall be entitled to one reasonable adjournment of up to fifteen (15) days, on five (5) days written notice to Seller. In addition to any other rights Seller may have by reason of Purchaser's failure to timely close title when requested, Seller shall be reimbursed by Purchaser for the cost of any real estate taxes and Common Charges which Seller would not otherwise have had to pay if there had been no unauthorized delay in closing of title by Purchaser.

At the closing of title Seller shall deliver to Purchaser a bargain and sale deed, with covenants against grantor's acts, conveying the Unit to Purchaser. Such deed shall be in the form contained in Part II of the Plan, executed and acknowledged by Seller or as directed by Seller in form for recording.

Simultaneously with the delivery of the deed, Purchaser shall cause the proceeds of any mortgage loan to be transferred to the Seller on account of the Total Purchase Price and shall execute and deliver to the mortgagee the note and mortgage, and any other documents required by the mortgagee, as well as any documents required by Seller.

4. Power of Attorney. At the closing of title and simultaneously with the delivery to Purchaser of the deed conveying the Unit, Purchaser shall execute and acknowledge the power of attorney to the Board of Managers in the form contained in Part II of the Plan. Purchaser agrees to deliver such power of attorney to Seller or as directed by Seller at the closing of title for recording and to pay the recording fee thereof.

5. Binding Effect of Declaration, By-Laws, Plan, Rules and Regulations. Purchaser has been afforded at least three (3) full business days to review the Plan, as amended, prior to the signing of this Agreement.

Purchaser hereby agrees to be bound by the Plan, the Declaration, the By-Laws, and the Rules and Regulations.

6. Condition of Title. Seller agrees to convey to Purchaser title in fee simple to the Unit free and clear of all liens and encumbrances other than those set forth in the Plan, specifically in Part I in the section titled "Terms of Sale," and the Exhibits submitted in connection therewith.

Notwithstanding the above, the existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided that a reputable title insurance company licensed to do business in the State of New York shall be willing to insure against collection of same from the Unit herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the Property, not provided for in the Plan or this Agreement, out of the monies to be paid by the Purchaser at the time of closing title.

7. Expenses of Closing and Closing Adjustments. Purchaser will pay the closing costs and expenses referred to in the Section of the Plan entitled "Unit Closing Costs and Adjustments," including, but not limited to, the amount of any credit for mortgage recording tax as set forth in such Section, payment for title insurance, if Purchaser elects or is required by lender to obtain same, recording fees for recording the Deed and Power of Attorney, New York City Real Property Transfer Tax, New York State Transfer Tax, Additional Tax Due on the Conveyance of Residential Real Property of \$1,000,000 or more (the 1% so-called "Mansion Tax", if applicable), Seller's attorney's fees for closing the Unit, a reimbursement fee for preparation of the offering plan, and costs associated with obtaining a mortgage loan. The legal fees of Seller's attorneys in the amount of \$1,800.00, plus disbursements, will be payable by Purchaser to Boris Saks Esq., PLLC. A further fee \$500.00 shall be payable by Purchaser to Seller's attorneys for the work involved for each assignment and/or cancellation of a purchase agreement or contract. Purchaser shall have no right to assign this Agreement without Seller's prior written consent. Any purported assignment of this Agreement in violation thereof shall be voidable at the option of Seller. A legal fee of \$500.00 shall be payable for work involved as a result of any adjournment by a Purchaser beyond that permitted under any right of adjournment set forth herein. In addition, Purchaser shall also pay at the closing an amount equal to 2 months' common charges for the Unit(s) to Sponsor for the Condominium's working capital fund and \$2,000.00 to the Sponsor as reimbursement of expenses associated with the Offering Plan. Except as otherwise provided in this agreement or in the Plan, real estate taxes and Common Charges and expenses shall be adjusted between Seller and Purchaser as of midnight preceding the Closing Date in accordance with the provisions of the Plan. Any such expenses or adjustments payable to Seller in excess of \$500.00 will be paid by certified check or bank check drawn on a bank or trust company which is a member of the New York Clearing House Association.

8. Agreement Subject to Mortgages. Purchaser agrees that all terms and provisions of this Agreement are and shall be subject and subordinate to the lien of any building loan mortgage heretofore or hereafter made and any advances heretofore and hereafter made thereon

and any payments or expenses already made or incurred or which may hereafter 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 whether such advances are voluntary or involuntary and whether made in accordance with the building loan schedule of payments or accelerated thereunder by virtue of lender's right to make advances before they become due in accordance with the schedule of payments.

9. Default by Purchaser. If Purchaser shall fail to pay any portion of the Purchase Price when due, fail to close title on the date, hour and place specified by Seller pursuant to Paragraph 3 hereof or fail to perform any of Purchaser's other obligations hereunder, such failure shall constitute a default by Purchaser and Seller may send notice to Purchaser of Seller's intention to cancel this Agreement if such default shall not be cured within twenty (20) days from the mailing date of such notice or fifteen (15) days after personal delivery of such notice within which to cure such default. TIME IS OF THE ESSENCE FOR PURCHASER TO CURE ANY DEFAULT UNDER THE PURCHASE AGREEMENT WITHIN THE APPLICABLE PERIOD. "Time is of the essence" means that if such default is not cured within thirty (30) days of such written notice, Sponsor may (but shall not be obligated to) elect to cancel the Purchase Agreement by notice of cancellation to Purchaser sent after the cure period has expired. In the event that Seller shall elect so to cancel this Agreement, Seller shall certify to its attorneys, Boris Saks, Esq., PLLC, that title has not closed because of Purchaser's default and that Seller has elected to cancel this Agreement by reason thereof, and Boris Saks, Esq., PLLC shall thereupon pursuant to Paragraph 15 hereunder, cause to have paid over to Seller as liquidated damages the Down Payment, and upon such payment being made each of the parties hereto shall be relieved of any further liabilities or obligations hereunder. If this Agreement shall be cancelled by Seller pursuant to the provisions of this Paragraph 9, Seller may sell the Unit to any third party and shall be under no obligation to account to Purchaser for any part of the proceeds of such sale. Boris Saks, Esq., PLLC may rely upon the truth and accuracy of the facts contained in Seller's certification and authority of the person or persons executing the same and shall have no liability as a result of such reliance.

Notwithstanding the above, the Escrow Agent will not release the funds from the escrow account until otherwise directed in:

- (i) a writing signed by both Sponsor and Purchaser;
- (ii) a determination of the Attorney General pursuant to the dispute resolution procedures contained in the Attorney General's regulations; or
- (iii) a judgment or order of a court of competent jurisdiction.

If there is no written agreement between the parties to release the escrowed funds, the Escrow Agent will not pay the funds to the Sponsor until the Escrow Agent has given the Purchaser written notice of not fewer than ten (10) business days. Thereafter, the funds may be

paid to the Sponsor unless the Purchaser has already made application to the Department of Law pursuant to the dispute resolution provisions of the Attorney General regulations and has so notified the Escrow Agent in accordance with such provisions.

The Sponsor will not object to the release of the escrowed funds 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.

In the event of a dispute, Sponsor shall apply and Purchasers or the Escrow Agent may apply to the Attorney General for a determination on the disposition of the down payment and any interest thereon. A form for this purpose is attached as Exhibit G of Part II of the Plan and is also available from the Office of the Attorney General. The party applying for a determination shall contemporaneously send all other parties a copy of the application.

10. Notices. Any notice to be given hereunder shall be in writing and sent by registered or certified mail or personal delivery to Purchaser at the address given above or to Purchaser's Attorney's e-mail address given above and to Sponsor at 175 Great Neck Road, Suite 309, Great Neck, New York 11021, with copy to Boris Saks, Esq., PLLC, 1732 East 12th Street, Brooklyn, New York 11229 or at such other address as either party may hereafter designate to the other in writing. The date of mailing 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.

11. No Representation. Except as specifically set forth herein or in the Plan, Purchaser acknowledges that he has not relied upon any architect's plans, sales plans, selling brochures, advertisements, representations, warranties or statement of any nature, whether made by Seller, Seller's counsel or otherwise, including, but not limited to, any relating to the description or physical condition of the Buildings or the Unit, the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the building services, the estimated Common Charges and expenses allocable to the Unit or the right to any income tax deduction on account of any real estate taxes and/or mortgage interest paid by Purchaser. Purchaser agrees that Seller shall have no liability or responsibility to Purchaser if the layout or dimensions of the Unit or any part thereof or of the Common Elements as shown on the floor plans or on the architectural plans and specifications for the Building is not accurate or correct, provided such layout or dimensions conform substantially to the floor plans and the architectural plans and specification for the Building and the site as modified or supplemented in accordance with the Plan and that Purchaser will not be relieved from its obligations hereunder by reason of any minor inaccuracy or error.

12. Recording of Deed and Power of Attorney. At the closing of title, Purchaser will deliver the executed deed received from Seller and executed and acknowledged power of attorney to the representative of the title company, if any, or to Seller for recording in the Office of the Register of the City of New York, County of Kings. Such deed and power of attorney will be in the form set forth in the Plan.

13. Binding Effect. This Agreement shall not be effective or binding on Seller until a counterpart hereof is executed by Seller and delivered to Purchaser. Subject to the provisions hereof, this Purchase Agreement shall bind and inure to the benefit of the parties hereto, their heirs, personal representatives, successors and assigns.

14. Agreement Subject to Plan Becoming Effective; Seller's Right to Cancel. This Purchase Agreement is contingent upon the Plan being declared effective. The Plan may be abandoned by Seller at any time prior to its being declared effective, provided Purchase Agreements for Units totaling not more than 80% of the Common Interest of the Condominium have been executed and accepted. If the Plan is abandoned or does not become effective this Agreement shall be deemed cancelled, and the Plan terminated and Purchaser is to receive back, not later than five (5) days thereafter, in full, all monies paid by him hereunder, and upon such repayment no party shall have any claim against any other party, person or entity, and all parties shall be released from all obligations hereunder and under the Plan. If, after the Plan is declared effective, title to the Unit shall not close within the time set forth in the Plan for any reason other than Purchaser's default, then, at Purchaser's option, upon prior written notice sent by Purchaser to Seller within fifteen (15) days subsequent to the end of the scheduled closing date, after permitted adjournments, this Agreement shall be deemed cancelled. If this Agreement is cancelled pursuant to the provisions of this paragraph, then not later than twenty (20) days thereafter, Purchaser shall receive a refund in full, of all monies paid by Purchaser hereunder. Upon such repayment, neither party shall have any claim against the other and both shall be released from all obligations.

15. Monies to be Held in Trust; Liquidated Damages. The required Down Payment pursuant to this Agreement will be ten percent (10%) of the Purchase Price for the Unit. All monies, including all deposits, down payments or advances, received by Seller through its agents or employees pursuant to this Agreement will be deposited with Signature Bank in an IOLA account titled "Boris Saks, Esq., PLLC - Attorney Escrow Account/IOLA" or similar name at its branch located at 6321 New Utrecht Avenue, Brooklyn, New York 11219. This bank is covered by federal bank deposit insurance to a maximum of \$100,000 per individual deposit.

In the event of an uncured default by Purchaser in its obligations under the Purchase Agreement, no more than ten percent (10%) of the Purchase Price plus any interest earned thereon, may be retained as liquidated damages.

16. Equipment and Furnishings. Seller will provide Purchaser only with the fixtures, equipment, hardware, appliances and furnishings referred to in the Plan, which are included in the Purchase Price of the Unit.

17. Acceptance of Condition of Unit. The signing of a Purchase Agreement shall constitute acceptance of the Unit "As Is" by Purchaser, except for those matters which are the responsibility of the Sponsor as stated in the Plan.

18. Risk of Loss. The risk of loss from fire or other casualty with respect to each Unit shall remain with Sponsor until the closing of title for the Unit. Notwithstanding the above, in the event that Purchaser, or one claiming by or through Purchaser, enters into possession of a Unit prior to the closing of title, then Purchaser shall bear the risk of loss or other casualty with respect to the Unit. Accordingly, any Purchaser, or one claiming by or through Purchaser who takes possession of the Unit prior to the closing of title should obtain insurance coverage for the Unit prior to taking possession, since, despite any loss, such Purchaser will remain obligated to purchase such Unit under the terms of the Agreement.

19. Entry of Unit Prior to Closing. Prior to the closing of title to a Unit, no Purchaser shall be permitted to enter the Unit without the prior consent of Sponsor or the Selling Agent. Purchaser shall have the right to enter and inspect such Unit prior to the closing of title but shall be obligated to make an inspection appointment with Sponsor or the Selling Agent. Under no circumstances shall Purchaser perform or cause to be performed any work in such Unit prior to the closing of title thereto.

20. Limitation of Sponsor's Liability. The Sponsor's liability under this Agreement for failure to complete and/or deliver or have delivered title for any reasons whatsoever shall be limited to the return of the money deposited hereunder and upon the return of said money, this Agreement shall be null and void and the parties hereto released from any and all liability hereunder. In any event, the Sponsor shall not be required to bring any action or proceeding to render the title to the Unit marketable or to cure any objection to title.

21. Gender. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine gender or to an entity whenever the context so requires.

22. Other Agreements. This Agreement supersedes any and all understandings and agreements between the parties and constitutes the entire agreement between them and no oral representations or statements shall be considered a part hereof.

23. Amendment to the Purchase Agreement. This Agreement may not be amended, altered or discharged except by agreement in writing signed by the party sought to be charged therewith or by his, her or its duly authorized agent.

24. Brokerage. Purchaser represents and warrants to Seller that Purchaser did not negotiate with any broker for the purchase of the Unit other than _____. Purchaser hereby agrees to indemnify, defend and hold Seller harmless from any claims by any broker that alleges that he has dealt with Purchaser in connection with the purchase of the Unit.

25. Governing Law. The Agreement shall be governed by and construed in

accordance with the laws of the State of New York.

26. Jury Waiver. Purchaser hereby waives trial by jury in any action, proceeding, or counterclaim involving any matter whatsoever arising out of, or in any way connected with this Agreement or the relationship of the parties as Purchaser and Seller, or the right of Purchaser to any statutory relief or remedy.

27. Acceptance by Seller. Within thirty (30) days after delivery to Seller or its agent by Purchaser of this Agreement, executed by Purchaser, Seller will either:

- (a) accept this Agreement and cause to be returned to Purchaser a fully executed counterpart thereof; or
- (b) reject this Agreement offer and refund the downpayment tendered by Purchaser.

28. Survival. The closing of title to the Unit and the delivery of the deed thereto shall be deemed full compliance by Seller with each and every term of this Purchase Agreement, except as to any item specifically listed and excepted therefrom.

29. Conflict with Plan. Any conflict between the Plan and this Purchase Agreement will be resolved in favor of the Plan.

30. Captions. The captions in this Agreement are for convenience and reference only and in no way define, limit or describe the scope of this Agreement, or the intent of any provision hereof.

Dated: _____

_____, New York

PURCHASER

Accepted:

783 E 9th LLC

By: _____

Escrow Received in Accordance
With the Terms Hereof:
Boris Saks, Esq., PLLC

By: _____

EXHIBIT "B"

DEED

THIS INDENTURE made the _____ day of _____, 20____, between 783 E 9th LLC, 175 Great Neck Road, Suite 309, Great Neck, New York 11021 ("Grantor"), and _____ ("Grantee");

WITNESSETH:

That the Grantor, in consideration of Ten (\$10.00) Dollars and other good and valuable Consideration, paid by the Grantee, does hereby grant and release unto Grantee, and the heirs or successors and assigns of the Grantee, forever,

ALL that certain piece or parcel of real property described in Schedule A attached hereto, known as Unit # _____ in the Highline Condominium, 781 East 9th Street, Brooklyn, New York 11230;

TOGETHER WITH a _____% undivided interest in the Common Elements of the Condominium;

TOGETHER with an easement for the continuance of all encroachments by the Unit on any adjoining Units or Common Elements now existing as a result of construction of the Buildings, or which may come into existence hereafter as a result of settling of the Buildings, or as a result of repair or restoration of the Buildings, or the Unit, after damage or destruction by fire or other casualty, or any taking in condemnation or eminent domain proceedings, or by alteration or repair to the Common Elements made by or with the consent of the Board of Managers, so that any such encroachments may remain so long as the Buildings shall stand;

TOGETHER WITH AND SUBJECT to the terms conditions covenants, easements and provisions of the Declaration and of the By-Laws of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended or modified in accordance therewith, from time to time by instruments recorded in the City of New York, Kings County, which terms, conditions, covenants, reservations and provisions together with any amendments thereto, 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 such provisions were recited and stipulated at length herein;

SUBJECT FURTHER to all exceptions to title set forth in the Offering Plan;

TO HAVE AND TO HOLD the premises herein granted unto the Grantee, and the heirs or successors and assigns of the Grantee, forever;

AND the Grantor covenants that the Grantor has not done or suffered anything whereby the said premises have been encumbered in any way, whatever, except as aforesaid;

AND the Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the Consideration for this conveyance and will

hold the right to receive such Consideration as a trust fund for the purpose of paying the cost of improvements and will apply the same first to the payment of the cost of the improvements before using any part of the same for any other purpose;

AND the Grantee accepts and ratifies the Declaration and the By-Laws and the Rules and Regulations of the Condominium recorded simultaneously with and as part of the Declaration and agrees to comply with all the terms and provisions thereof, as the same may be amended from time to time by instruments recorded in the Office of the Register of the City of New York, Kings County.

The use for which the Unit is intended is that of a one family residence subject to the applicable governmental regulations and the restrictions contained in the Declaration.

IN WITNESS WHEREOF, the Grantor and Grantee part have duly executed this deed the day and year first above written.

Grantor

Grantee

State of New York)

) SS.:

County of _____)

On the _____ day of _____ in the year 20____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

State of New York)

) SS.:

County of _____)

On the _____ day of _____ in the year 20____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

EXHIBIT "C"

POWER OF ATTORNEY

THE UNDERSIGNED, the Owner(s) of Condominium Unit No. _____ in the Condominium known as The Highline Condominium covering the property located in Kings County, City and State of New York, do hereby nominate, constitute and appoint the members of the Board of Managers of the Condominium and their successors jointly, my true and lawful attorneys-in-fact coupled with an interest and with the power of substitution, in my name and on my behalf to (1) acquire, in their own name or in the name of their designee by deed on behalf of all owners of Condominium Units in said property, any Condominium Unit whose owner desires to sell or abandon the same, or which shall be the subject of a foreclosure sale or a deed in lieu of a foreclosure sale, at such price and on such terms as my said attorneys-in-fact shall, in their sole discretion, deem proper and thereafter to convey, sell, lease, sublease, mortgage, vote or otherwise deal in such Condominium Unit so acquired, at such terms as my attorneys-in-fact may in their sole discretion determine, granting to my said attorneys-in-fact the power to do all things in the said premises which I could do if I were personally present; and (2) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium that the Condominium Board deems necessary or appropriate to comply with any law, ordinance, regulation, zoning resolution, or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the maintenance, demolition, construction, alteration, repair, or restoration of the Condominium or (b) any consent, covenant, restriction, easement, or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Condominium Board deems necessary or appropriate.

The acts of a majority of such persons constituting the Condominium Board shall constitute the acts of said attorneys-in-fact.

I(We) do, hereby further irrevocably nominate, constitute and appoint 783 E 9th LLC, and its successors, my true and lawful attorneys-in-fact coupled with an interest, with power of substitution, in my name and on my behalf to vote at any Unit Owners meeting for, and to file an amendment to the Declaration of The Highline Condominium, the By-Laws and the Rules and Regulations of the said Condominium or any of said documents when such amendment (1) shall be required to fully and fairly depict the Units as built or to carry out any of the provisions of the Offering Plan, or to create any utility easement, or (2) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with the Declaration or (3) shall be required by (a) an institutional lender designated by Sponsor to make a mortgage loan secured by a mortgage on any Unit, (b) any governmental agency having regulatory jurisdiction over the Condominium or (c) any title insurance company selected by Sponsor to insure title to any Unit, provided however, that any amendment made pursuant to the terms of subdivision (1), (2) or (3) of this paragraph shall not change the Common Interest of the undersigned's Unit, (ii)

require a material, physical modification to the undersigned's Unit, or (iii) adversely affect the priority or validity of the lien of any purchase money mortgage held by an institutional lender covering the undersigned's Unit unless the undersigned (in the event described in subdivision (i) or (ii) of this paragraph) or the holder of such mortgage (in the event described in subdivision (iii) of this paragraph) shall consent thereto by joining in the execution of such amendment. The terms covenants and conditions contained in, and the powers granted pursuant to, this paragraph shall remain in full force and effect until such time as Sponsor shall cease to own any Unit in The Highline Condominium.

This power of attorney shall be irrevocable.

IN WITNESS WHEREOF, I(We) have hereunto set my (our) hand(s) and seal(s) this
day of _____, 20 ____.

State of New York)

) ss.:

County of _____)

On the ____ day of _____ in the year 20____, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

781 E 9th Street, Engineer's Report

Engineer's Report
Description of Property and Proposed Building
April 4, 2017

PROJECT: Highline Condominium

781 EAST 9 STREET, BROOKLYN, NY, 11230

Sion Assoc NY, LLC
245-02 Jericho Turnpike
Floral Park, NY 11001

781 E 9th Street, Engineer's Report

A. Location and Use of Property

This property and proposed use will comply with all zoning and use requirements at closing.

1. **Address:** 781 East 9 Street, Brooklyn, NY
located on the East side of East 9 Street, between Avenue H and Foster Avenue
2. **Block & Lot #:** The condominium is located in block 6497/ lot 55
3. **Zoning District:** The building lies within General Residence District, R7A.
4. **Permissible Use:** As per The New York City Zoning Resolution, Section 22-12, the proposed use are as follows:
One (1) Eight-story residential development building with thirteen (13) Dwelling units. Seven (7) open parking spaces.
The property and proposed use will comply with all zoning and use requirements.
Residential Use is a permitted use within Use Group 2 as of right in an R7A District.
5. **Handicapped Access:** This project is designed within the requirements of all applicable federal, state, and local codes and regulations governing accessibility to the disabled including the ADA standards and Local Law 58/87.
6. **Other:** The building is developed pursuant to the Quality Housing Program as described in Article 2, chapter 8 of the New York City Zoning Resolutions. Floor area bonuses are allowed for quality design, with elements such as double glazed windows, and street planting.

B. Status of Construction

1. This building is presently under construction and it is anticipated that the construction will be substantially completed on or about **April, 2017** unless delayed by weather, strikes, lockouts, act of God, shortages of or inability to obtain, materials, equipment or labor, government restrictions or preemption, damage by fire or the elements or any other cause over which the Sponsor has no control.
2. Certificate of Occupancy: After completion of construction, the Sponsor will apply for a Certificate of Occupancy for the building from the New York City Department of Buildings (NYC-DOB). Prior to the final closing sponsor will obtain final Certificate of Occupancy for all the units to be closed. The building will be classified as Class A

Multiple dwelling. All the issues related to certificate of occupancy will be resolved in accordance with all applicable laws, codes, rules and regulations

3. Class of Construction: The building will be classified as noncombustible construction Type I-B (2008 NYC Building Code) and shall conform to all applicable regulations of the Building Code of the City of New York (Building Code) and Local Law 58/87 (Americans with Disabilities Act for access).
4. Filings:
 - One (1) New Building application was filed and approved by the NYC Department of Buildings (NYC-DOB) under application # 320516161.
 - One (1) Alteration III application was filed and is approved status NYC-DOB for Builder's Pavement Plan under application # 320830473 & BNP 13-259.
 - One (1) Alteration II application was filed and approved by NYC-DOB for Structural Plans under application #320516161.
 - One (1) Alteration III application was filed and approved by NYC-DOB for Scaffold under application #340210088.
 - One (1) Alteration III application was filed and approved by NYC-DOB for Sidewalk Shed under application #340183429.
 - One (1) Alteration II application was filed and approved by NYC-DOB for Sprinkler Fire Alarm under application #320893743.
 - One (1) Alteration II application was filed (in conjunction with NB application) and approved by NYC-DOB for Installation of Sprinkler system under application #320853581.
 - Building has been developed pursuant to Quality Housing programs elements and components and is in compliance with ZR 28-00.
5. Where materials, appliances, equipment and fixtures and other construction and design detail are specified in this report, sponsor has reserved the right to substitute in their place similar materials, appliances, equipment and fixtures of equal or better quality.

C. The Site

1. Lot Area: 4,000.0 sq. ft.
2. Building Size: One (1) 8 Story & Cellar Residential Building.
3. The site contains 40.0 feet of frontage on street known as East 9 Street.
4. Streets
 - i. The street known as East 9 Street is paved with an asphaltic topping and is in good condition.
 - ii. The street is pitched to drain into the New York City storm water draining system.
 - iii. The street lightings are provided by the City of New York.
 - iv. There are no streets owned or maintained by the project.

5. Drives, Sidewalks & Ramps

- i. The sidewalk in front of the subject building on East 9 Street is **finished with concrete slab and curb.**
The new sidewalk providing access to the building shall be free of tripping hazards and ponding. The new sidewalk, curb cuts, ramps and aprons shall be ADA compliant and shall be replaced as directed by the N.Y. City Department of Transportation.
- ii. The sidewalk and curbs shall be comply with NYDOT's /Local Law and ADA requirements.
- iii. The sidewalk drains into the street.
- iv. All these items will be repaired or replaced as directed by NYC Department of Transportation when construction is completed.
- v. The sidewalks providing access to the building shall be new, free of tripping hazard and ponding.
- vi. In front of the building are 2 entrances.
The Residential one is Handicapped Access and shall be used to enter the Building and the other for vehicle entrance in the parking area. There are steps in front next to residential entrance, leading to cellar.
The condominium will be responsible for maintaining the ramps & sidewalk in Accordance with the requirements of the Authority Having Jurisdiction (AHU).
- vii. The sidewalk slopes away from the buildings providing positive drainage without ponding. Under current approved plans, this site will be graded to conduct storm water away from the buildings. Catch basins are located in the roadway to drain the storm water run-off into the existing New York City Sewer System.
- viii. All these items will be repaired or replaced as detected by NYC Department of Transportation when construction is completed.

D. Utilities

1. Electricity will be provided by Consolidated Edison Company (Con Edison), a regulated company. The electricity consumed by the common areas will be on its own meter. Each condominium unit and the community facility will be individually metered by Con Edison or other electric service provider.
2. Gas will be provided by National Grid or other gas service provider. The gas consumed by each unit in the building will be individually metered by Key Span or other company.
3. Water and sewer service will be provided by the City of New York Department of Environmental Protection (NYC-DEP). The water consumed will be metered by the NYC-DEP. The cost of the water and sewer will be divided between 13 apartments.
4. Cable will be provided by Verizon, or other cable company.
5. Phone service will be provided by Verizon a regulated company, or other telephone company. Units will be pre-wired with telephone jacks.

E. Sub-soil Conditions

1. There has been no uneven foundation movement or settling at the premises.
2. Soil test was performed by All Phase Testing, Inc on 08/05/13. They found the subsurface conditions encountered in test to consist of Brown MF sand little gravel silt at the depth of around 10 feet.
The soil was classified as nominally satisfactory bearing material, Class SP (7-65) accordance with the NYC BC.
3. There is no evidence of moisture or seepage or ground water infiltration.
4. There is no danger from flooding, either due to water table in area or overflow from other bodies of water.

F. Landscaping & Enclosures

1. Grass cover: There shall be grass area in the front of the property as per Quality Housing program reflecting on the approved Plot plan.
2. Plantings: No plantings of any type will be provided and if provided they will be at the sole option of the sponsor.
3. Trees: There will be planted 2 new trees in front of the property on public sidewalk on East 9 Street and will be maintained.
4. Fencing: There shall be a 6'-4" high masonry wall along the property line on the rear yard of the building.
5. Gates / Garage Door: There will be a remote controlled roll-down garage door in front of the building.
6. Garden walls: None.
7. Retaining walls: None.
8. Display pool and fountains: None.
9. The foundation walls at the areaway at rear yard are made of reinforced concrete and are supported on continuous footings of reinforced concrete. Cellar floor and foundation walls are poured reinforced concrete.
All the below-grade foundation walls as per plan, shall be waterproof with a wall suited self-adhering rubberized asphalt sheet membrane.

G. Building Size

1. The buildings will consist of cellar, first through Eighth floor and will have a total height of approximately 77.33 feet measured from base plane up to the top of the roof.
2. The floor to ceiling heights of the units will be approximately 8'-6", except in areas within dropped ceiling and soffit, where the height will be around 8'-0".
3. There are utility & sprinkler rooms in the cellar of the building.
4. There are mechanical and laundry room inside each condominium unit.
5. The parapet wall on the roof is made of concrete blocks and shall be 3 feet 6 inches height from the roof level. The coping is cast stone.

H. Occupancy

1. There will be thirteen (13) Class "A" apartment units as defined by NYS Multiple Dwelling Law of 1929. The number of dwelling units is in compliance with the requirements of the New, York City Zoning Resolution.
2. There will be an indoor recreation area provided at the cellar of the building.
3. There will be seven (7) outdoor off-street parking spaces available in the first floor.

I. Building System

1. Exterior of buildings
 - i. Walls: As per the approved plan, the foundation walls are supported on continuous footings of reinforced concrete. Cellar floor and foundation walls are poured reinforced concrete. All the below-grade foundation walls as per plan, shall be waterproof with a wall suited self-adhering rubberized asphalt sheet membrane. The structure shall be constructed of concrete slab supported by concrete beams and concrete columns. The balconies are cantilever concrete slab. The roof shall be concrete slab. Exterior walls consist of solid brick finish in front and stucco finish in rear and in both sides walls. Exterior walls consist of 8" CMU, 2x4 metal stud and a layer of 5/8 type "X" gypsum board.
Interior partition walls consist of painted gypsum board and metal studs.
All unit ceilings will be drop ceiling with a single layer painted 5/8 type "X" gypsum board applied to the bottom of concrete slab.
Typical floor construction consists of 8" concrete slab.
Cellar floor to be 4-1/2" concrete slabs with reinforcement. Smooth finish to be provided. All exterior walls should be insulated with two-inch spray insulation having

an "R" factor of 13. The roof will be insulated with 2" polyiso tapered iso 95+ insulating board complying with the New York Energy Conservation Construction Code. The lateral support for wind and seismic forces is resisted by concrete beams and shear walls/columns.

Local Law 11/1998 is applicable and the inspection cycle will be every 5 years. Façade of the building shall be periodically checked as per NYC rules and regulations.

- ii. Windows: The windows and patio doors at all floors are aluminum sliding windows, double-glazed, which are manufactured by Crystal (or similar).).
The manufacturer warranty is 1 year for parts-hardware and 5 years for glazing.
The screens for windows are provided and silicone caulking is used for all the windows. Window guard for child protection shall be installed if applicable.
- iii. Windows will comply with minimum requirements of the NYS Energy Code. Continuous sealant with backer rod between windows and painted gypsum board . A wood stool and gypsum board head and jamb returns/wood will be provided on the interior.
- iv. The building does not have landmark status. No municipal approvals are required for the style of windows, being used.
- v. Steel lintels or pre-cast concrete sills will be installed at every window opening through the building.
- 2. Parapets and Copings: Roof parapets shall be a minimum of 3'-6" above the roof and shall be CMU and brick with cast stone coping.
- 3. Chimneys and caps: There will be a through roof mechanical room exhaust and fresh air intake flues which terminates 3 feet above any roof structure.
All exhaust and fresh air intake flues will be double wall steel Class "B" gas vents NFPA 211-1988. In addition, there will be through roof exhaust fans for kitchens & bathrooms. All enclosures of openings through the ceiling will be 2 HR rated partitions.
- 4. Decks & Balconies
 - i. **The deck finish of all balconies will be non-slip broom swept concrete (4"± concrete Slab).**
The soffit areas of cantilevered balconies shall be finished with stucco. Fiberglas Batt insulation shall be provided between ceiling beams, below open roof. Ceilings is finished with gypsum wallboard.
 - ii. Railings of the balconies will be 3'- 6" ± (min.) high child proof wrought steel/concrete railings.
 - iii. The baluster are manufactured of steel/concrete.
 - iv. All doors to balconies are vinyl/aluminum sliding doors, insulated double glass, which are manufactured by Crystal (or similar) with integral weather stripping.
 - v. All balconies will be provided with exterior wall mounted incandescent lighting wall sconces lighting fixtures.

- vi. Wall treatment to prevent intrusion in the building: All windows and doors installed in the walls shall have flashing details. All the mechanical and plumbing penetrations through walls shall be effectively seal against water and wind intrusion. All the exterior drained cavity walls shall have through-wall flashings to prevent bulk rainwater penetration.

5. Exterior Entrances

- i. Exterior doors and frames: All exterior doors and frames shall be insulated steel doors with insulated tempered glass window in a steel frame with keyed lockset.
- ii. Vestibule: Vestibule doors to be metal type with integral weather stripping. Doors to be fitted with key lock set and to comply with New York State Energy Code.
- iii. Exterior Stairs: There is a concrete stair leading to cellar from the front yard. Railings of the stair will be 3'-6" $\pm$ high child proof wrought iron railings.
- iv. Mail Boxes: by Gibraltar, Model DVW 0000 (or equivalent) black mat painted steel, and will be provided at central location in the vestibule at the first floor level.
- v. Intercom made by: Westinghouse 3 Channel Intercom System, Model:WHI-3C provided at a central location in the vestibule at the 1st floor level.
- vi. Incandescent outdoor lightings will be provided at the front entrance.

6. Service Entrances:

There is a service entrance to this building serving as a second means of egress.

7. Roof and Roof Structures

- i. **Type of Roofing: There shall be a flat roof terraces area located above 6th and 7th Floors and the main flat roof located above 8th floor level.**
 - (a) **Material:** The building's roof is constructed of Tapered Iso 95+ (or equal) which is a standard smooth surface modified bitumen roofing membrane which is torched applied and is on top of rigid insulation that is supported by concrete slab.
 - (b) **Insulation:** All roofs, including roof terraces shall be insulated on the interior between the metal beams with "R-38" batt insulation and on exterior are insulated with R-20 rigid insulation with a peel/seal Firestone base sheet on top of the insulation.
 - (c) **Surface finish:** The surface finish of the open roof terraces and the main roof shall be a premium smooth surface.
 - (d) **Bond or guarantee:** The expected life span of the roof is ten to fifteen years. There will be no bond furnished other than a one (1) year warranty from the contractor for the construction materials and workmanship. The materials will have a five (5) year warranty from the manufacturer.
 - (e) **Flashing materials including counter flashing:** All roof penetrations (eg: vent stacks, vents and fans) will be flashed and waterproofed and will include aluminum cap or base flashing where necessary.
- ii. **Drains:** All 1st floor area drains and trench drains at the beginning of the parking ramp will be directed to the drainage system.

All roof areas to be drained with drains connected to a surface water drainage system. There will be a minimum of two cast iron area controlled flow roof drains at the roof and will be discharged to srywell. All roof and terrace drainage will be directed to the building storm sewer located in the cellar.

Piping: Cast iron.

Sump pump: As per ASME/ANSI A17.1 (or similar) to be installed in the elevator pit.

Sum Pump: all area or yard drains from the cellar level will be directed to a sump pump located in the cellar. The proposed duplex pump is Flygt, model CP3085, 5HP, 80 GPM flow at 15 ft head (or equal).

Storm and sanitary site connection:

The building will be provided with new 6" storm sewer and a 6" sanitary building sewer connected to the street main respectively.

- iii. Skylights: N.A.
- iv. Bulkheads: There are two bulkheads on the roof level. The one for the interior staircase with a windows 4'x5' and mtl. louver (as per NYC Zoning Resolution Sec. 27-375) and the other for the elevator machine room.
The stairs and elevator bulkhead exterior walls material are reinforced concrete and the walls are CMUwith brick finish.
- v. Metal work at roof level: Metal work at the roof level consists of vents.
All metal work is weather protected and flashed at each roof penetration.
- vi. Insulation: Above the flat roof the insulation shall be "R" value of 20. Under roofing the insulation shall be with a minimum "R" value of 38. & U-factor:0.026
Walls: R value: 19 U-factor:0.043.

Exterior metals and fasteners shall be corrosion resistant.

There is no noise generating equipment on the rooftop of the building.

Be advised, the Sponsor is not providing a NDL (No Dollar Limit) manufacturer's warranty for the new roof.

8. Interior Stairs

- i. There are 2 public interior concrete stairs on the Cellar, 1st, 2nd, 3rd, 4th, 5th, 6th, 7th, 8th floors and bulkhead. The stairs are enclosed with 2-hour rated painted partition walls.
On the 7th Floor is a private interior metal stairs with wood finish treads, connecting the unit with an space on the 8th Floor.
- ii. In all the stairs (public or private) handrails will be 3'± high child proof steel railings with steel posts and balusters along the wall of the stair case.
All the railing and fasteners, at exterior entrances shall be of corrosion resisted materials.

- iii. Treads: The treads shall be constructed of concrete.
- iv. Risers: The risers shall be constructed of concrete.
- v. Stringers: N/A.

9. Interior Doors and Frames

- i. Unit Entrances: The apartment entrances will have fire rated self-closing hollow metal doors with hollow metal frames. Each door to have a mortise lockset by Kwikset (or similar).
All the doors on the cellar, Bulkhead and Mechanical Rooms shall be fire rated self-closing hollow metal doors with hollow metal frames 1 ½ HR Fire rated.
- ii. Interior Doors: All bathroom and bedroom doors shall be approximately 1 3/8" hollow wood flush doors with wood frames. All closet doors will be approximately 1 3/8" hollow wood flush doors on pivot hinges. Bathrooms will have privacy lockset by Kwikset (or similar). All interior doors will be painted.

10. Yard and courts

- i. The front yard contains concrete paved from the building to the street.
- ii. There is no side yard on the property.
- iii. The rear yard will have 6"± concrete pavement for accessory off-street parking spaces.
- iv. Courts – none.
- v. **The access to the rear yard is through the breezeway and there are 2 doors (1 ½ fire rated) from the main lobby on the first floor providing access to the breezeway and rear yard area.**

11. Fire Escapes: None

12. Elevators: There is one passenger elevator provided in the building. The manufacturer of the elevator is OTIS Elevator Machines Inc.(or equal). It will be gear-less (EMO Rail) type with a speed of approximately 150 feet per minute and capacity of 2100lb (max. 6 person).. The doorways to the elevators will consist of automatic sliding doors. The control room for the same is located on the cellar. The elevator cab has a carpeted or linoleum floor with laminated panel walls and 7'-11" ceiling height.
The elevator ceiling is suspended stainless steel FC-4 finish with recessed lights fixtures with approximately sixty watts of incandescent illumination.
Elevator is equipped with emergency alarm bell system with battery backup, communication system and the emergency light with battery backup.
The Condominium Board shall be responsible for maintenance and inspection of the elevator, elevator cab and all related equipment which will be common elements to the Condominium. The elevator machine room is located at the roof above the eighth floor level.

13. Lobby and Entrances:

The residential units have one private entrances on E 9th Street leading to one separate lobbies. a) The lobby located on south side of the building measures: approx. 20 feet long by 8 feet wide and 22 feet long by 4 feet wide.

The lobbies floor will be finished with granite tile.

The lobby shall open to an unmanned elevator, staircase, mail boxes.

All the interior doors on the Lobby are fire rated self-closing hollow metal doors with hollow metal frames 1 ½ HR Fire rated.

J. Parking Areas:

- ii. There are seven (7) outdoor parking spaces available for this property. They are located at first floor level and are **accessible from the ramp at front facade of the building at East 9th Street.**

Six of parking spaces have a dimension of 8'-6" x 18'-0" and the one H.C. accessible is 13'-6" x 18'-0".

There will be a steel, chain link gate, at the top of the driveway access ramp, which will provide access to the to the garage area located at the 1st floor level.

The gate shall be equipped with a remote opening device for entrance to and exit from the parking areas.

The maximum height of vehicles allowed in this parking lot will be 7'-6". since there are only limited spaces available for the parking areas, then parking spots will be sold for a price, to interested purchasers of the apartment units.

- iii. Surfaces: Poured reinforced concrete slab.

- iv. **Parking spaces will be unattended**

K. Unit Information

1. Finish Schedule for the apartments :(for abbreviation see item 5)

Space	Floor	Wall	Base	Ceiling
Living Room	WD	GWB/P	WD/P	GWB/P
Bedrooms	WD	GWB/P	WD/P	GWB/P
Kitchens	CT	GWB/P	WD/P	GWB/P
Bathrooms	CT	GWB/P	CT	GWB/P
Closets	WD	GWB/P	WD/P	GWB/P

2. Bathroom Fixtures

Toilet	Fine Fixures, Model: MOTB12W
Lavatory	Fine Fixures, Model: FAM1
Tub	Kaldewei, Model: Cayono

Cabinets

Greenpoint Masteer 24"

3. Kitchen Appliance

Refrigerator	GE, 36" Model #: GNE29GSKSS
Dishwasher	GE, 24" Model #: GDT535PSJSS
Range	GE 30" Model #: JGBS66REKSS
Sink	Zero Radius
Cabinets & Countertops	Quartz, Color Carrarea.

4. Cellar:

Cellar partial will be used as accessory use for utility & sprinkler rooms.

Space	Floor	Wall	Base	Ceiling
Storages/Utility Room	CONC.	GWB/P	WD/P	GWB/CONC.
Recreation Area	CONC.	GWB/P	WD/P	GWB/CONC.

1. Finish Schedule of Other Spaces

Space	Floor	Wall	Base	Ceiling
Stairs	CONC.	CMU/P	CT/ CONC.	CONC
Cellar	CONC/P	GWB/P	CT/ CONC.	CONC
Lobby	CT	GWB/P	CT	CONC

Abbreviations for finishes

CT	Ceramic Tile
CONC	Concrete
CMU	Concrete Masonry Unit
GWB	Gypsum Wallboard (Water resistant in all bathroom walls)
P	Paint
V	Vinyl
WD	Wood

The Units wood flooring shall be grade 1 oak or similar and on all floors as per plans shall have a sound insulation layer for impact noise reduction. The paint for the walls and ceiling of the units shall be Benjamin Moore or similar.

I. Auxiliary Facilities

1. Laundry room: Each apartment will be provided with a laundry area and vent-less stackable washer/dryer hookups only. Home owners will be responsible for supplying and maintaining each laundry machine.
2. Refuse Disposal: Trash room will be located at first floor. The walls of the compactor room area 6" non-combustible partitions and the size of the room is approximately 7' by 7'. **The trash compactor room is equipped with an exhaust ventilation duct which is terminating at the roof above 8th floor.**
The compactor manufacturer is "Hivolex-J", operating capacity is 12 cubic yard per hour. Trash shall be dropped through garbage chute as initial storage into trash bin and ultimately a superintendent will bring to the curb, located outside of the building for pick up by the City of New York, Department of Sanitation twice per week as per they schedule.
3. Bicycle spaces parking is located at the 1st Floor breezeway area.
4. Each Unit has a storage room space located in the cellar. All the storage room doors are fire rated self-closing hollow metal doors with hollow metal frames 1 ½ HR Fire rated. Interior partition walls consist of painted gypsum board and metal studs. All unit ceilings will be drop ceiling with a single layer painted 5/8 type "X" gypsum board applied to the bottom of concrete slab. Ceiling is suspended and is equipped with recessed light fixture, approximately sixty watts of incandescent illumination.

J. Plumbing & Drainage

1. Water Supply
 - i. Water is supplied to the units through a 4" dia. copper pipe Connection from the City of New York City distribution system water main located on E 9th Street. The service line is extended to the water meter, located in cellar. Each residential unit is to be supplied with cold water from a minimum ½" copper piping.
The hot and cold water piping throughout the building will be protected with a minimum 2" thick polyethylene, thermal insulation with a minimum R value of 2 as required by the N.Y, State Energy Conservation Construction Code.
 - ii. Residential units: The domestic hot water is generated from a gas-fired water heater located in each residential unit. The specification of water heaters is as follows.
Manufacturer: A. O. SMITH
Capacity 40 gallon
Model #: GER-40

Type of Controls: The domestic hot water are equipped with thermostats.

- iii. Air chambers shall be provided at the top of all risers and throughout the piping systems to prevent water hammer.
- iv. The cold water service shall be copper and the fire sprinkler service pipes will be Black steel.
- v. All water risers will be provided with valves.
- vi. The domestic hot water temperature to all fixtures will be 120 deg. F.
- vii. Flow conservation devices will be provided on all water supplies to all showers.
- viii. Expansion compensators and loops will be provided on hot and hot water circulation piping systems.
- ix. The water pressure in the cold, hot and hot water systems to fixtures will be limited to 85 psi by means of pressure reducing valve.

Water pressure and how is maintained:

Domestic water pressure will be maintained by a duplex booster pump system similar to Peerless Model C610AM with a flow capacity of 75 GPM and total maximum head of 100 ft.

Wall treatment to prevent intrusion in the building: All windows and doors installed in the walls shall have flashing details. All the mechanical and plumbing penetrations through walls shall be effectively seal against water and wind intrusion. All the exterior drained cavity walls shall have through-wall flashings to prevent bulk rainwater penetration.

K. Fire Protection System

1. Sidewall or Pendant type sprinkler heads will be provided in the entire building. All sprinkler piping to be black steel or copper. Sprinkler system shall be provided per applicable code requirements. All pipes shall be black steel standard schedule 40. Sprinkler heads shall be pendant or sidewall type as deemed appropriate. There are standpipes, hose racks, or Siamese connections provided per applicable code requirement.
 - i. **Siamese Connection:** There is a 4"x 3" x 3" flush mounted siamese connection located adjacent to the entrance to the building at the first floor level at least 18" above grade.
 - i. **Standpipes:** There is a 6" diameter, cast iron standpipe riser located in the common stair hallway.

- ii. **Hose racks, hoses and nozzle:** Hose racks, hoses and nozzles shall be mounted in the common stairwell towards the front of the building at each floor as necessary.
 - iii. **The central Fire Alarm station is located in the main lobby**
 - iv. **Combination smoke and carbon monoxide detectors, hard-wired with battery back-up, by Fire X or equal will be provided on each level of each unit, and installed as per Local Law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code.**
The smoke and carbon monoxide detector's manufacturer will be Kedge and model number will be KN-COSM-1B (or equal)
2. **Water Storage Tank:** None.
3. **Sanitary Sewage System**
- i. **A complete sanitary drainage system will convey all soil and waste from plumbing fixtures, drains and equipment. Sanitary sewage piping shall be of extra hard cast iron. There will be no sewage ejector pump in the building.**
The sanitary system above the cellar level is designed for gravity flow through vented branches, stacks and building drains. The floor drains and all the plumbing fixtures at the cellar level will be connected to a sump pump to be discharged to the sewer system. The building will be provided with new 6" sanitary building sewer connected to the street main respectively.
4. **Permits Required:** Permits and approvals shall be obtained by the developer for: plumbing, sewer, water and gas.
5. **Storm Drainage System**
- i. **The on site, storm drainage system will consist of: aluminum roof scuppers and vertical, exterior aluminum leaders; cast iron, roof drains, vertical interior cast iron drains, cast iron area drains and below grade horizontal cast iron drains and concrete drywells.**
The storm water runoff will be directed and connected to the building's drainage system through a 6" E.H.C.I. to the existing 12" combined sewer located in the roadway beneath East 9th Street.
The storm drainage system located in the roadway beneath East 9th Street, has been approved by the N.Y. City Department of Environmental Protection. The approval number is: SCK 274-13 SB.
 - ii. **There is a sump pump in the building located in the elevator pit. The sump pump is manufactured by Liberty, model number: P-372.**
The sump pump is automatic, equipped with a float switch and 1/2 H.P. motor and have a capacity of 20 GPM @ 20'-0" of displacement head. The warranty provided by the manufacturer for the pump will be 24 months

from the date of purchase or 30 months from the date of manufacture,
whichever comes first.

1. Residential units:

Heating & Air Conditioning will be provided by PTAC units manufactured by "Suburban DYNALINE".

14 DL3 1622 – serving Living/dining rooms and bedrooms on 7th Floor units.

Heating: Input 20000 BTU output 16000 BTU, cooling: 15000 BTU, efficiency 80%.

13 DL3 1220 – serving master bedrooms

Heating: Input 20000 BTU output 18000 BTU, cooling: 14500 BTU, efficiency 81%.

12 DL3 0912 – serving Living/dining rooms

Heating: Input 12000 BTU output 9840 BTU, cooling: 9500 BTU, efficiency 82%.

Type of Controls: All the PTAC units are equipped with thermostats.

Each PTAC unit is equipped with built in condensate removal system. The condensation evaporates inside the unit.

The wall sleeve made by AIRXCEL is an insulated steel casing that acts as the outer shell.

No baseboards inside the units. There is only one electric baseboard in the recreation room.

2. Entering & Lobby Area: Electric baseboards (or similar) will be provided.

3. Heating system will be adequate to maintain indoor temperature of 72 deg. F. with outside temperature of 15 deg. F.

Piping Materials and insulation

Refrigerant lines shall be ACR tube per ASTM B280.

Refrigerant piping insulation:

1.5" thick preformed polyisocyanurate closed cell insulation with a k-factor of 0.27 at 75°F mean temperature and factory applied Polyvinylidene Chloride (PVDC) vapor retarder film.

For outdoor pipe insulations, the jackets shall be made of 0.016" aluminum or stainless steel held with a friction type, Z-lock.

P. Ventilation

1. All bathrooms and kitchenettes will be provided with duct systems connected to mechanical exhaust fans. Adjustable registers with fire dampers will be provided. The ventilation will be 50 CFM minimum exhaust from each bathroom and 150 CFM minimum exhaust from each kitchenette. The manufacturer of fans will be Broan and model no. will be BR-688 series or equal.

L. Gas Supply

1. Gas is supplied by National Grid or other utility company and utilized for cooking, heating boilers, and domestic water heater.
 - i. Type: Natural gas

ii. Meters: Each apartment will have its own individual gas meter located in the cellar monitoring gas consumption for heating domestic hot water and cooking.

iii. Piping: **Black steel, 1 1/4" dia. High pressure service.**

O. Electrical System

1. Electrical service will be provided by Con Edison Co. at 120/208V, 2-phase, 3-wire to building's electric service switchboard and distribution panels throughout. The service for each building is as follows:
 - i. 60 amps for all units' electrical requirements.
 - ii. Typical apartment unit: 15 circuits per unit.
 - iii. 100 amps/208 volt/24 circuit panel
 - iv. The electrical system for the building is adequate for modern usage.
2. Residential Units
 - i. The service to each residential unit will be single phase, 3 wire, 60 Hz, 120/208V AC. Electric service will be supplied to each residential unit via tenants meter bank in cellar.
 - ii. The main service equipment shall be circuit breakers as required by code. The size of fuses shall be to suit the loads served.
 - iii. All residential units are designed with the proper number of wall receptacles, switches, appliance receptacles, etc. as required by the NYC Electrical Code.
 - iv. Switches lighting fixtures are provided in bathrooms, walk-in closets, foyers and kitchens. Switched receptacles are provided in bedrooms. Fixtures are incandescent type in foyers, dining areas, and walk-in closets. Apartment corridor lights and kitchen lightings are incandescent.
 - v. 20 amps, 120V circuits have been provided to handle lighting and general purpose receptacles.
 - vi. 20 amps, 120V circuits have been provided in the kitchen area for 120V kitchen appliances. Each appliance outlet is on separate circuits.
 - vii. 20 amps, 208V single phase circuit for thru-the-wall AC units shall be provided.
 - viii. Receptacles are provided in all rooms (average five (5) per room). Ground fault circuits are provided in bathrooms, kitchens and other wet locations as required by the National Electrical Code and the National Fire Protection Association.
3. TV Reception Facilities and Telephone Services
 - i. The local cable television provider will provide cable TV service to the building. Each unit owner will make separate applications for service and will be separately billed for the cost of cable TV service.
 - ii. The building will be pre-wired for telephone services. A jack will be located in the living room and bedroom of each unit.
4. Combination smoke and carbon monoxide detectors, hard-wired with battery back-up, by Fire X or equal will be provided on each level of each unit, and installed as per Local Law 62/82, R.S. 17 and Section 28-02 of the New York City Building Code.

P. Intercommunication system

1. Each residential unit will be equipped with an intercom system located adjacent to main entrance door to the residential unit, which will permit voice contact between the inside of the residential units and the exterior of the main entrance at grade level. The intercom system shall be equipped with a buzzer to allow access to the elevator lobby from the exterior entrance to the building.
The intercom Model is VC-MW/B and is manufactured by Aiphone.
1. TV Reception Facilities and Telephone Services
 - iii. Cable television service will be available to each apartment on an individual subscription basis (separate charge). High speed internet access will also be made available at a separate charge.
 - iv. Location of outlets: Living room and one bedroom.
 - v. The building will be pre-wired for telephone services. A jack will be located in the living room and bedroom of each unit.

Q. Public Area Lighting

1. Lighting circuits shall be provided and separately metered for lighting exterior and interior common areas. The cost of electricity and maintenance of the system shall be a common cost allocated to each unit owner based on their share of the common interest.
2. Lighting fixtures shall be provided in public stairways and hallways on all floors. Fixtures shall be capable of providing illumination of at least ten (10) watts per twenty five (25) square feet of floor area. Each lighting fixture shall be provided with one or more lights of a total of not less than sixty (60) watts. Lighting fixture provided is: Hampton Bay 2-Light Flush-Mount Ceiling Classic Bronze Oval Fluorescent Light, Model # HBF1204P-263. In addition, lighting fixtures shall be provided at the entrance way providing an aggregate illumination of one hundred and fifty (150) watts incandescent illumination or its equivalent and shall be operated by a light sensor device or timer. Lighting fixture provided for outside & yard lighting is: Westinghouse 67539 - 1 Light Textured Black Wall Lantern Light Fixture, Manufacturer Code: 67539. Stair halls (common) and the boiler room will be illuminated with ceiling mounted incandescent fixtures. Lighting fixture provided is: Hampton Bay 2-Light Flush-Mount Ceiling Classic Bronze Oval Fluorescent Light, Model # HBF1204P-263. The above requirements shall be in compliance with the New York City Housing Maintenance Code and Multiple Dwelling Laws. All the items shall be the specified manufacturers of equal quality.

R. Garages and Parking Areas

1. Location of garage: Seven (7) off-street parking spaces are provided in the open area on the rear yard.
2. Surfaces: Concrete slab on grade and above the cellar
3. Garage Ventilation: Not applicable.
4. Garage Fire Protection: Not applicable.
5. All 1st floor area drains and trench drains at the beginning of the parking ramp will be directed to the drywell.

S. Swimming Pool: There is no swimming pool.

T. Tennis courts, playgrounds and recreation facilities

1. There is no tennis courts.
2. There is no playgrounds.
5. There is a recreation room at the cellar floor of the building.
All the recreation room door are fire rated self-closing hollow metal doors with hollow metal frames 1 1/2 HR Fire rated.
Interior partition walls consist of painted gypsum board and metal studs.
All unit ceilings will be drop ceiling with a single layer painted 5/8 type "X" gypsum board applied to the bottom of concrete slab. Ceiling is suspended equipped with recessed light fixture, approximately sixty watts of incandescent illumination.
The recreation room will be heated by electric baseboards 6' long by SEATTLE.WA. Model: King 8k 2020, Volts: 208. Watts: 2000.

U. Permits and Certificates

1. All street improvements and obstructions (paving curbs and sidewalks) must be approved by the NYC Department of Transportation.
2. The followings are the list of permits obtained for the project.

-NB	issued on 01/22/15
-ST	issued on 05/01/14
-SP	issued on 10/07/14
-EQ SH	issued on 09/10/14
-EQ EQ	issued on 11/26/14

-SD

issued on 10/07/14

3. Signoffs from Fire Department and Building Department on installations are required prior to issuance of Temporary Certificate of Occupancy.
4. Permits: Before starting any work, builder is to obtain work permits from the Department of Buildings, City of New York.

T. Inspections

1. Annual inspections: Inspection shall be submitted as required to the appropriate city agencies to the following systems annually.
Inspections needed after the building is in operation:
 - Elevator Inspection and required tests (yearly and every 5 years)
 - Exterior walls and appurtenances inspection. (Local Law 11/98 every 5 years).

V. Violations

1. As of the date of this report, there is no open ECB or DOB violation against this property.

X. Additional Information

1. ECCCCNYS Notes: As per the drawings approved by NYC DOB, these plans and specification are in compliance with the 2010 New York Energy Conservation Construction Code, using Table 2.

W. Unit Information

1. The condominium will consist of thirteen (13) residential condominium.
All required maintenance that may be needed for each unit shall be provided by that unit owner.

i.	Cellar floor: Recreation Space /2-Pieces Bathroom	Total: 924.64 sf.
ii.	First floor: Lobby, Elevator, Mechanical Room Breezeway/ Parking Spaces	Total: 726.97 sf. Total: 3,068.91 sf.
iii.	Second floor: Unit 2A 2-bedroom Unit/2 Bathrooms	Unit: 1,102.71 sf. Storage: 49.55 sf.

Balcony in Front: 16.83 sf.
Total: 1,169.09 sf.

Unit 2B 2-bedroom Unit/2 Bathrooms Unit: 1,099.23 sf.
Storage: 49.19 sf.
Balcony in Rear: 16.83 sf.
Total: 1,165.25 sf.

i. **Third floor:** Unit 3A 2-bedroom Unit/2 Bathrooms Unit: 1,102.71 sf.
Storage: 60.56 sf.
Balcony in Front: 100.96 sf.
Total: 1,264.23 sf.

Unit 3B 2-bedroom Unit/2 Bathrooms Unit: 1,099.23 sf.
Storage: 60.02 sf.
Balcony in Rear: 100.96 sf.
Total: 1,260.21 sf.

i. **Fourth floor:** Unit 4A 2-bedroom Unit/2 Bathrooms Unit: 1,102.71 sf.
Storage: 60.02 sf.
Balcony in Front: 100.96 sf.
Total: 1,263.69 sf.

Unit 4B 2-bedroom Unit/2 Bathrooms Unit: 1,099.23 sf.
Storage: 59.91 sf.
Balcony in Rear: 100.96 sf.
Total: 1,260.10 sf.

ii. **Fifth floor:** Unit 5A 2-bedroom Unit/2 Bathrooms Unit: 1,102.71 sf.
Storage: 60.73 sf.
Balcony in Front: 100.96 sf.
Total: 1,264.40 sf.

Unit 5B 2-bedroom Unit/2 Bathrooms Unit: 1,099.23 sf.
Storage: 50.51 sf.
Balcony in Rear: 100.96 sf.
Total: 1,250.70 sf.

iii. **Sixth floor:** Unit 6A 2-bedroom Unit/2 Bathrooms Unit: 1,102.71 sf.
Storage: 52.30 sf.
Balcony in Front: 100.96 sf.
Total: 1,255.97 sf.

Unit 6B 2-bedroom Unit/2 Bathrooms Unit: 1,099.23 sf.
Storage: 56.39 sf.
Balcony in Rear: 100.96 sf.
Total: 1,256.58 sf.

- i. **Seventh floor:** Unit 7A 2-bedroom Unit/2 Bathrooms Unit: 893.59 sf.
Storage: 56.90 sf.
Terrace in Front: 208.25 sf.
Total: 1,158.74 sf.

Unit 7B 2-bedroom Unit/2 Bathrooms
Part of Unit on 7th Floor : 702.61 sf.
7th Floor Terrace in Rear: 396.66 sf.
Part of Unit on 8th Floor : 371.83 sf.
Storage: 51.00 sf.
8th Floor Balcony in Rear: 109.00 sf.
Total: 1,631.11 sf.

- ii. **Eighth floor:** Unit 8A 2-bedroom Unit/2 Bathrooms Unit: 1,018.01 sf.
Storage: 53.19 sf.
Balcony/Terrace in Front: 320.25 sf.
Total: 1,391.45 sf.

The approximate square foot area of each residential unit is measured horizontally on each floor from the outer face of the masonry of the exterior walls of the building to the center line of the wall separating the unit from corridors, stairs, mechanical spaces, elevator and other units and vertically from the top of the floor slab below the unit to the underside of the floor slab above the unit. no unit owner shall be deemed to own the structural walls, supporting columns, pipes, wires, conduits or other public lines running through the unit which are utilized for or serve more than one (1) unit. any area and/or installation which are designated on the floor plans as part of a unit shall be considered as part of said unit.

2. Floor plans for each unit are drawn to scale and showing room dimensions are herewith attached.

Plans attached

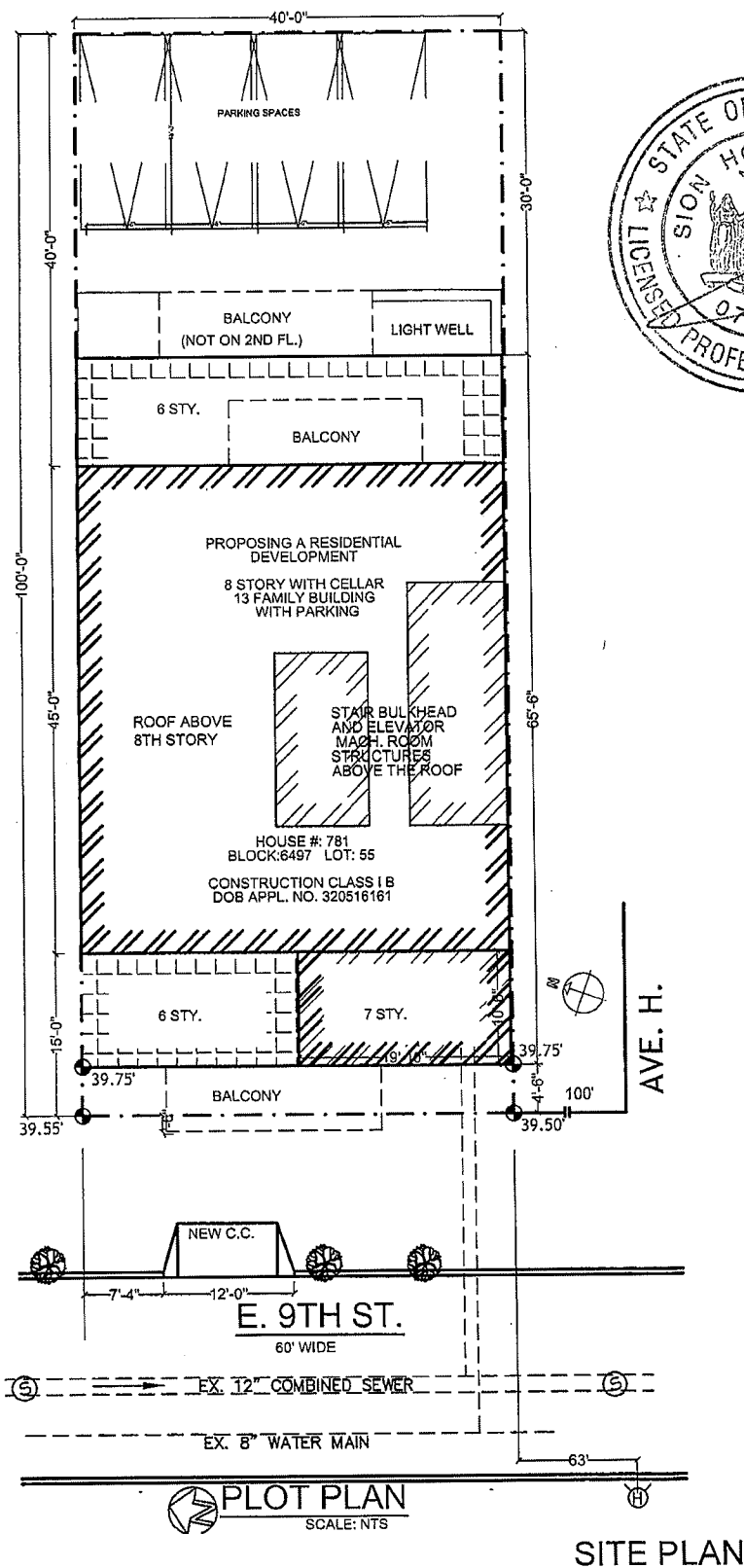
- (1) Site plan attached shows landscape features, street, the outside dimensions of the building and designated common areas.
- (2) Floor plan for each line or type of unit drawn to scale, indicating room dimensions and unit boundaries.
- (3) Floor to ceiling heights of units area approximately 8'-6".
- (4) Approximate total area of each unit is set forth on the unit layout.
- (5) A master floor plan showing units, boundaries and the relationship of units to each other.
- (6) The sponsor does not intend to add additional units to the building.

781 E 9th Street, Engineer's Report

5. Floor plans for each unit are drawn in scale and showing room dimensions are herewith attached.

To the best of my knowledge, belief and professional judgment, these plans and specifications are in compliance with the Energy Conservation Construction Code of New York State, using Chapter Five.

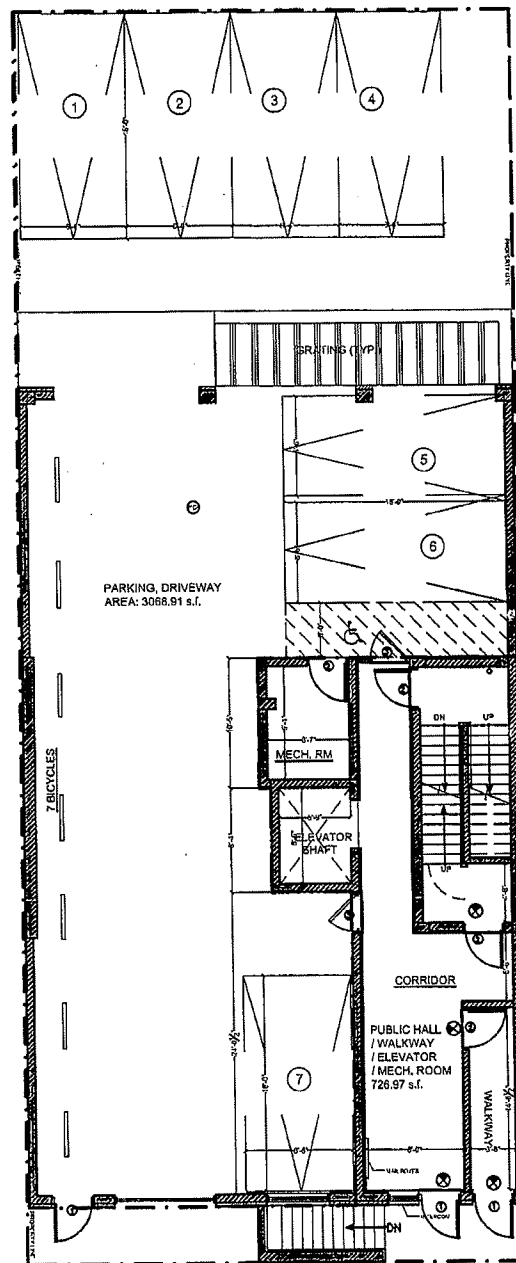




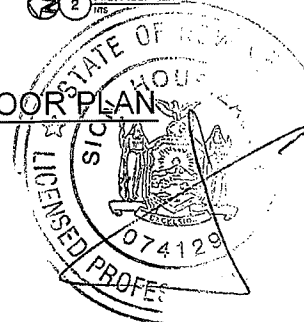
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

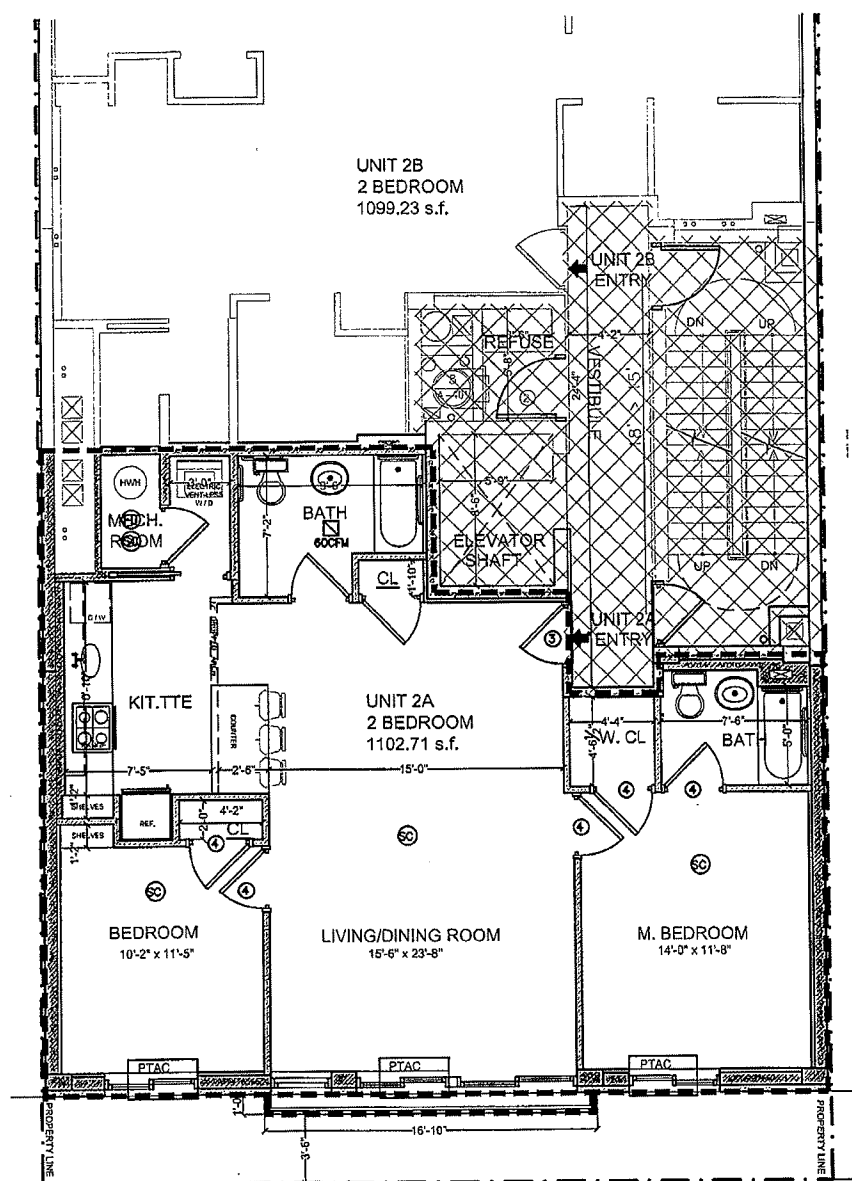
CELLAR PLAN

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PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



1ST FLOOR PLAN





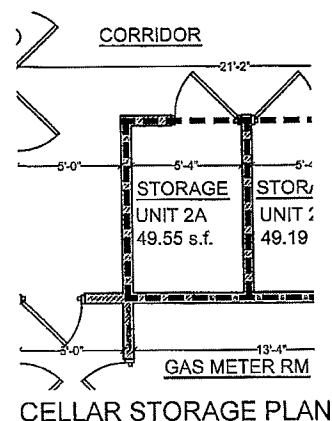
2ND FLOOR PLAN

UNIT #2A

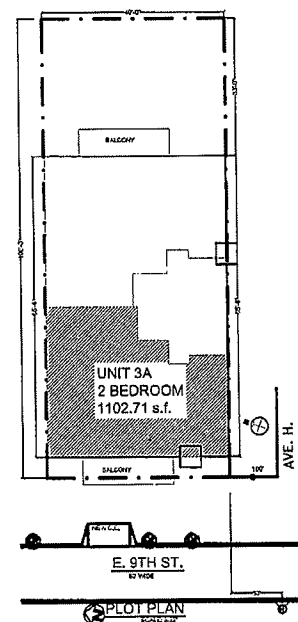
TWO-BEDROOM & 2 BATHROOM UNIT

NET UNIT FLOOR AREA: 1,102.71 s.f.
 BALCONY IN FRONT: 16.83 s.f.
 CELLAR STORAGE SPACE: 49.55 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
 PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
 PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



SITE PLAN

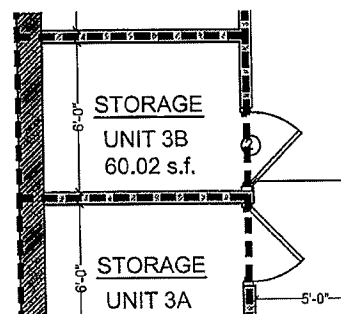


ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

UNIT #3B

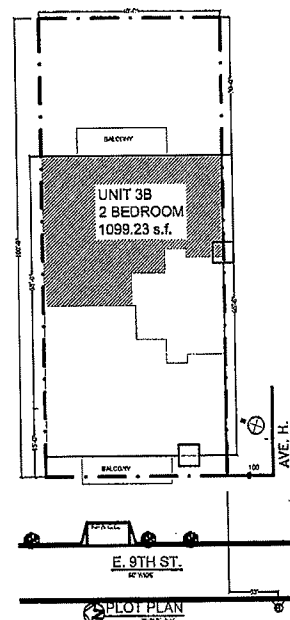
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BALCONY IN FRONT: 100.96 s.f.
CELLAR STORAGE SPACE: 60.02 s.f.

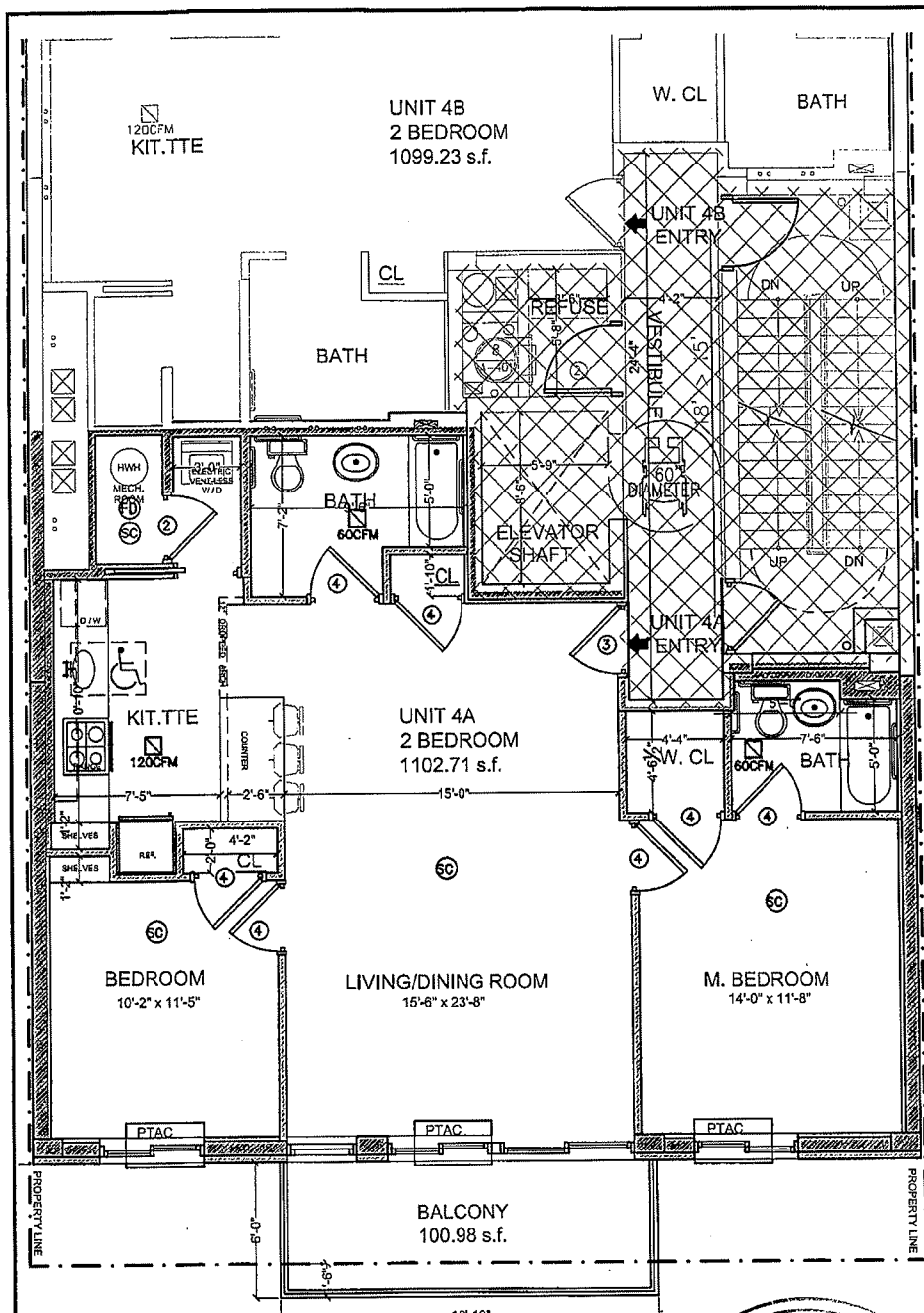
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



CELLAR STORAGE PLAN

SITE PLAN





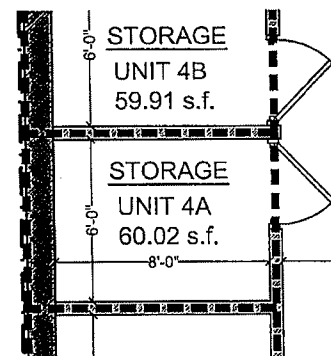
4TH FLOOR PLAN

UNIT #4A

TWO-BEDROOM & 2 BATHROOM UNIT

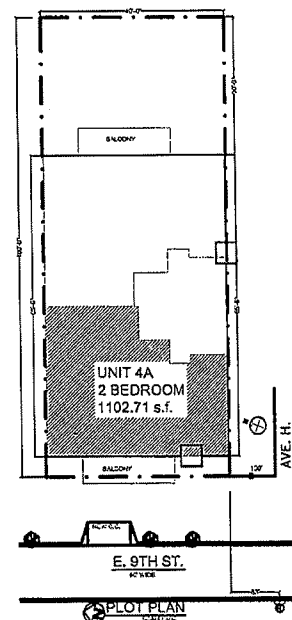
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 CELLAR STORAGE SPACE: 60.02 s.f.

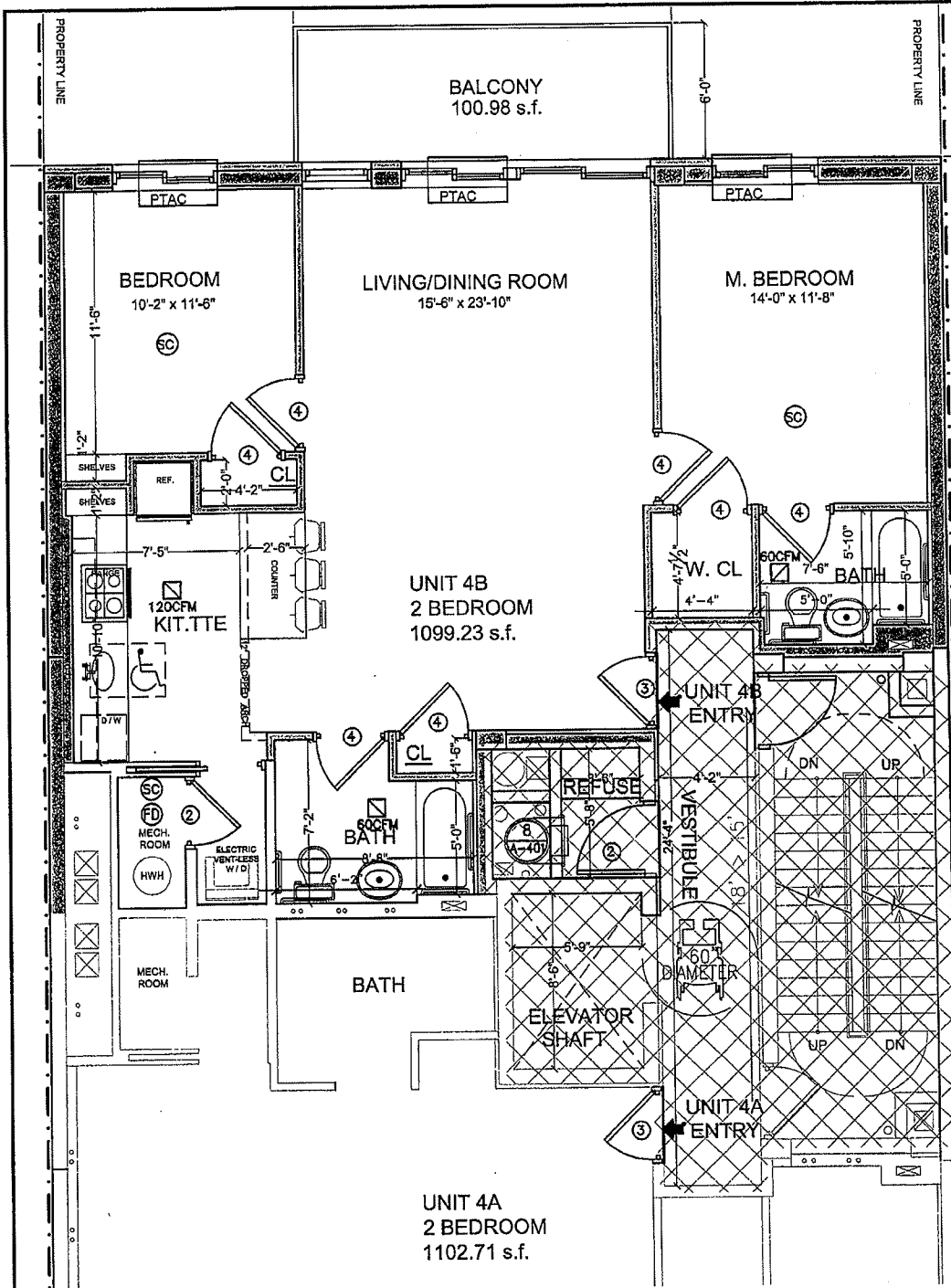
ALL DIMENSIONS ARE APPROXIMATE.
 PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
 PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



CELLAR STORAGE PLAN

SITE PLAN





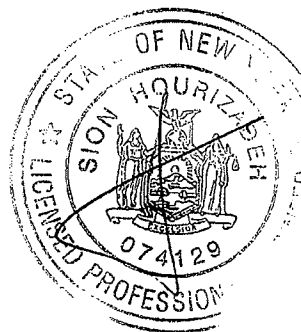
4TH FLOOR PLAN

UNIT #4B

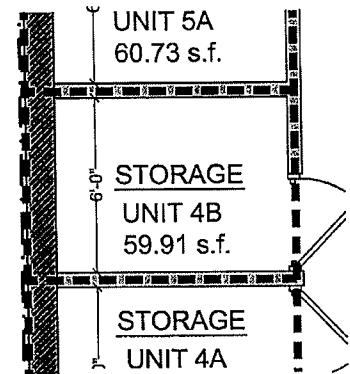
TWO-BEDROOM & 2 BATHROOM UNIT

NET UNIT FLOOR AREA: 1,099.23 s.f.
 BALCONY IN FRONT: 100.96 s.f.
 CELLAR STORAGE SPACE: 59.91 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
 PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
 PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

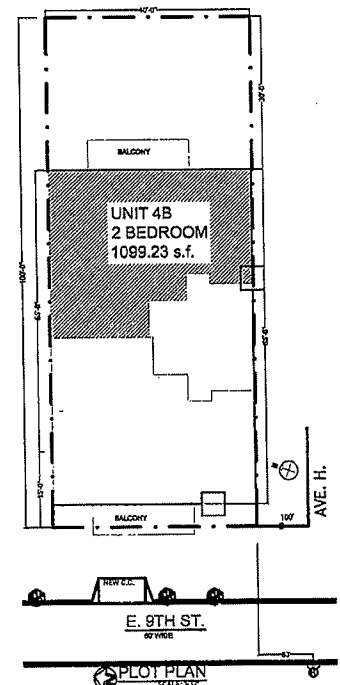


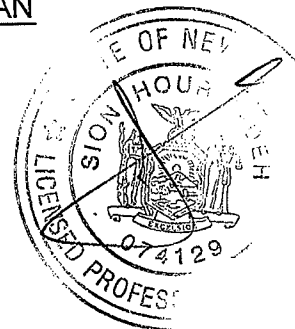
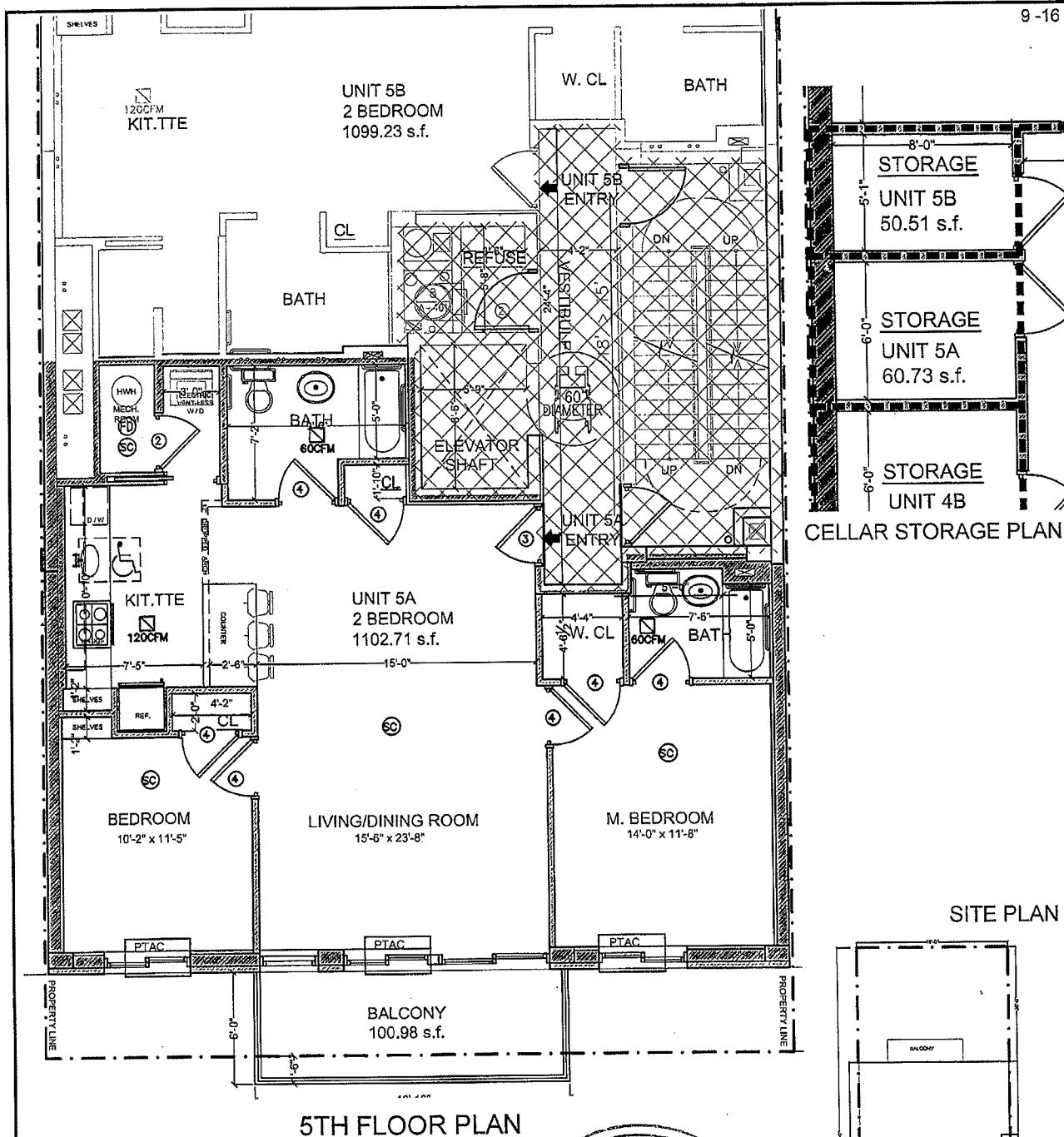
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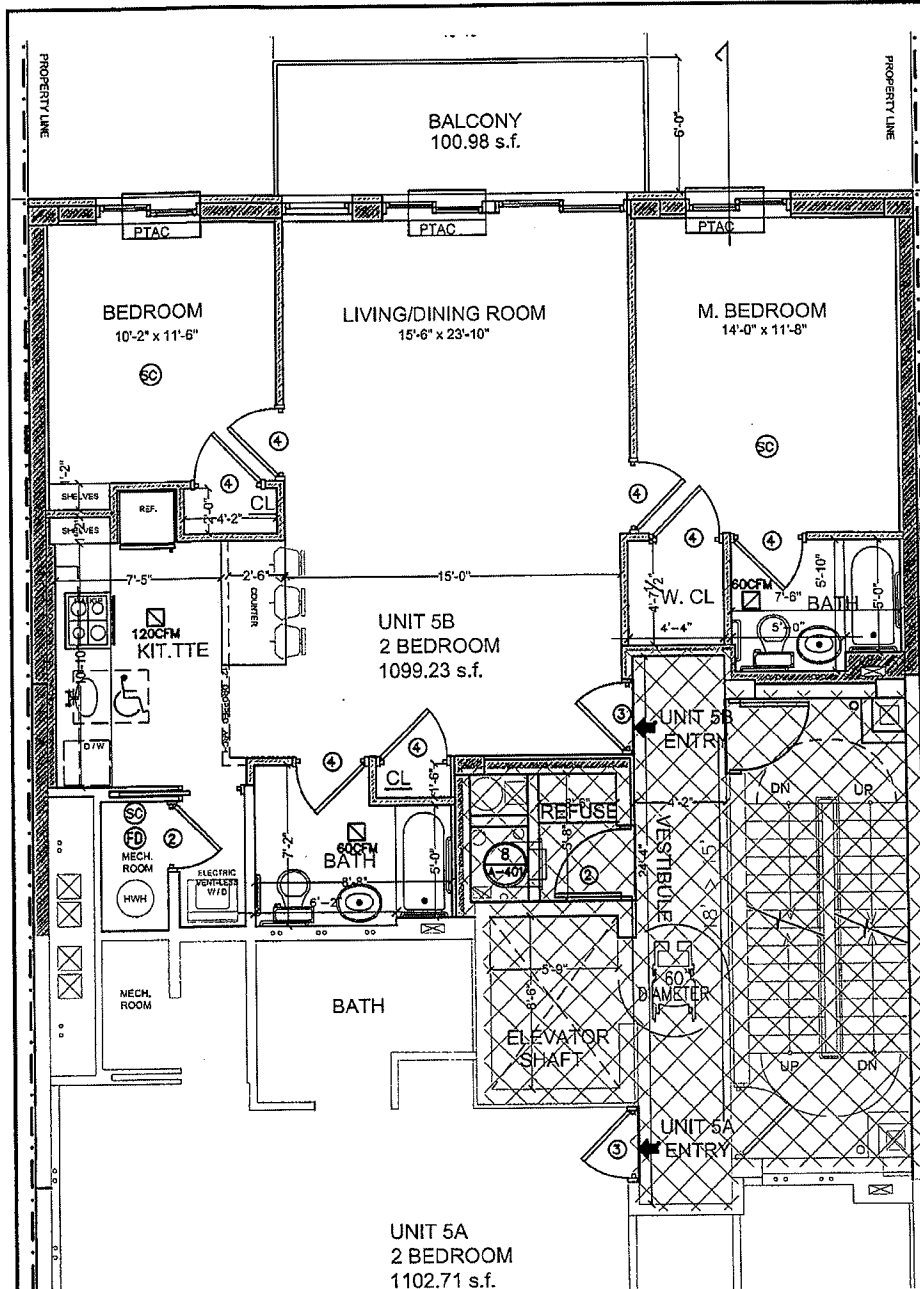


CELLAR STORAGE PLAN

SITE PLAN







5TH FLOOR PLAN

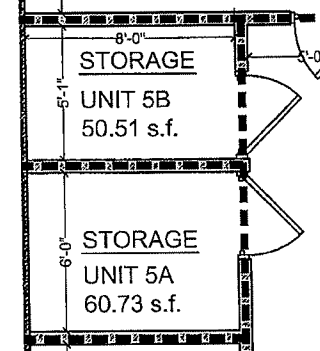
UNIT #5B

TWO-BEDROOM & 2 BATHROOM UNIT

NET UNIT FLOOR AREA: 1,099.23 s.f.
 BALCONY IN FRONT: 100.96 s.f.
 CELLAR STORAGE SPACE: 50.51 s.f.

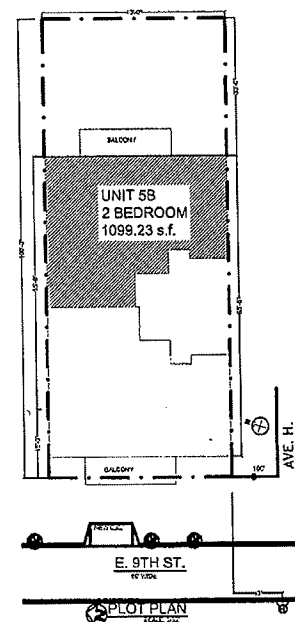
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 PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
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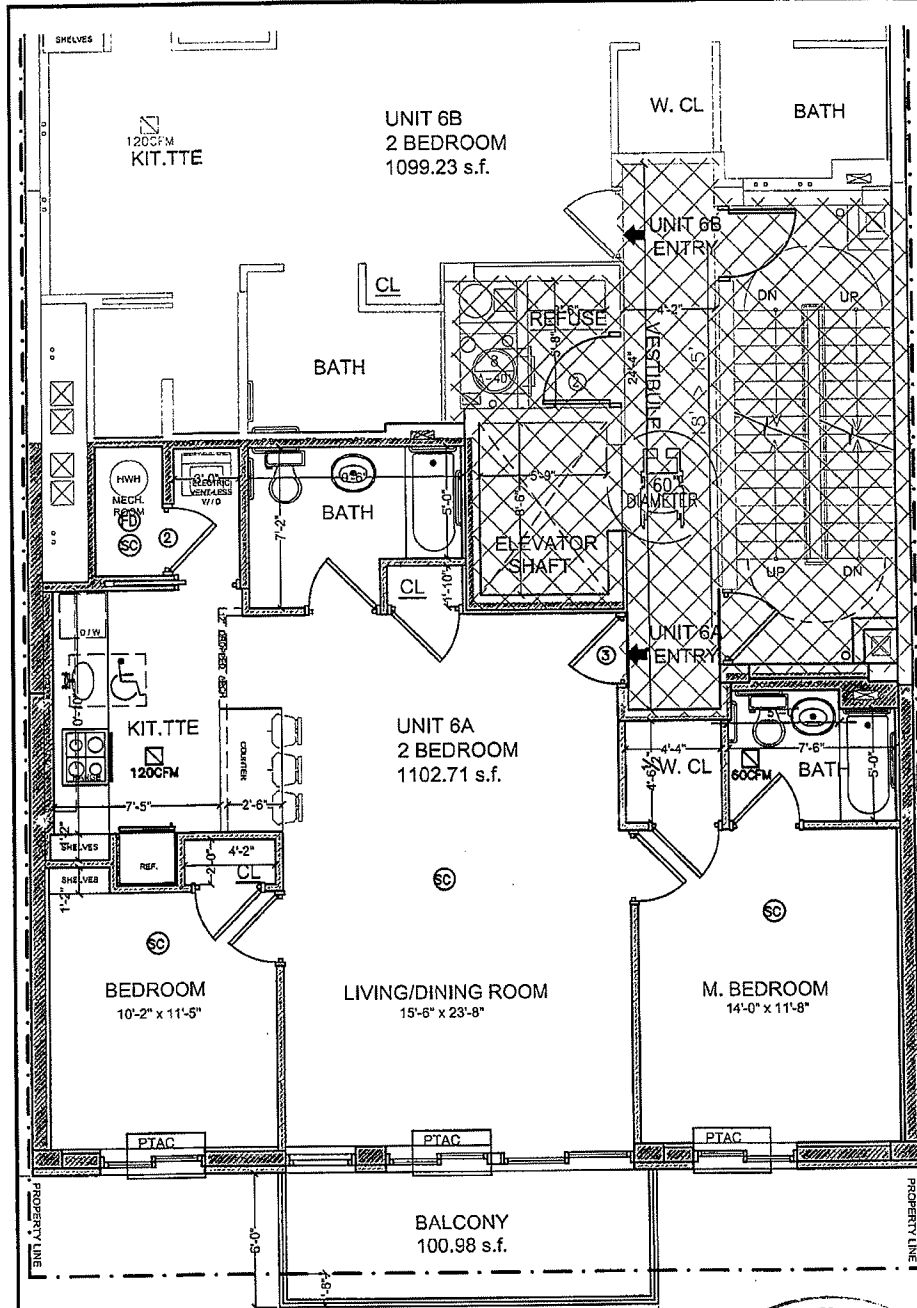
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CELLAR STORAGE PLAN

SITE PLAN





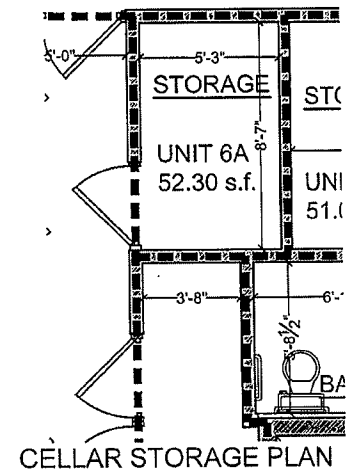
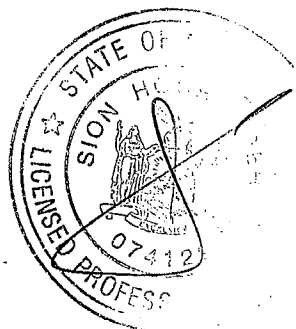
6TH FLOOR PLAN

UNIT #6A

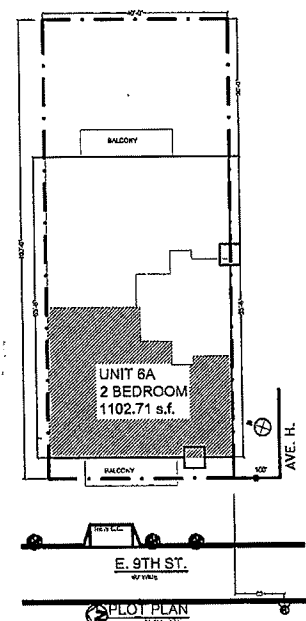
TWO-BEDROOM & 2 BATHROOM UNIT

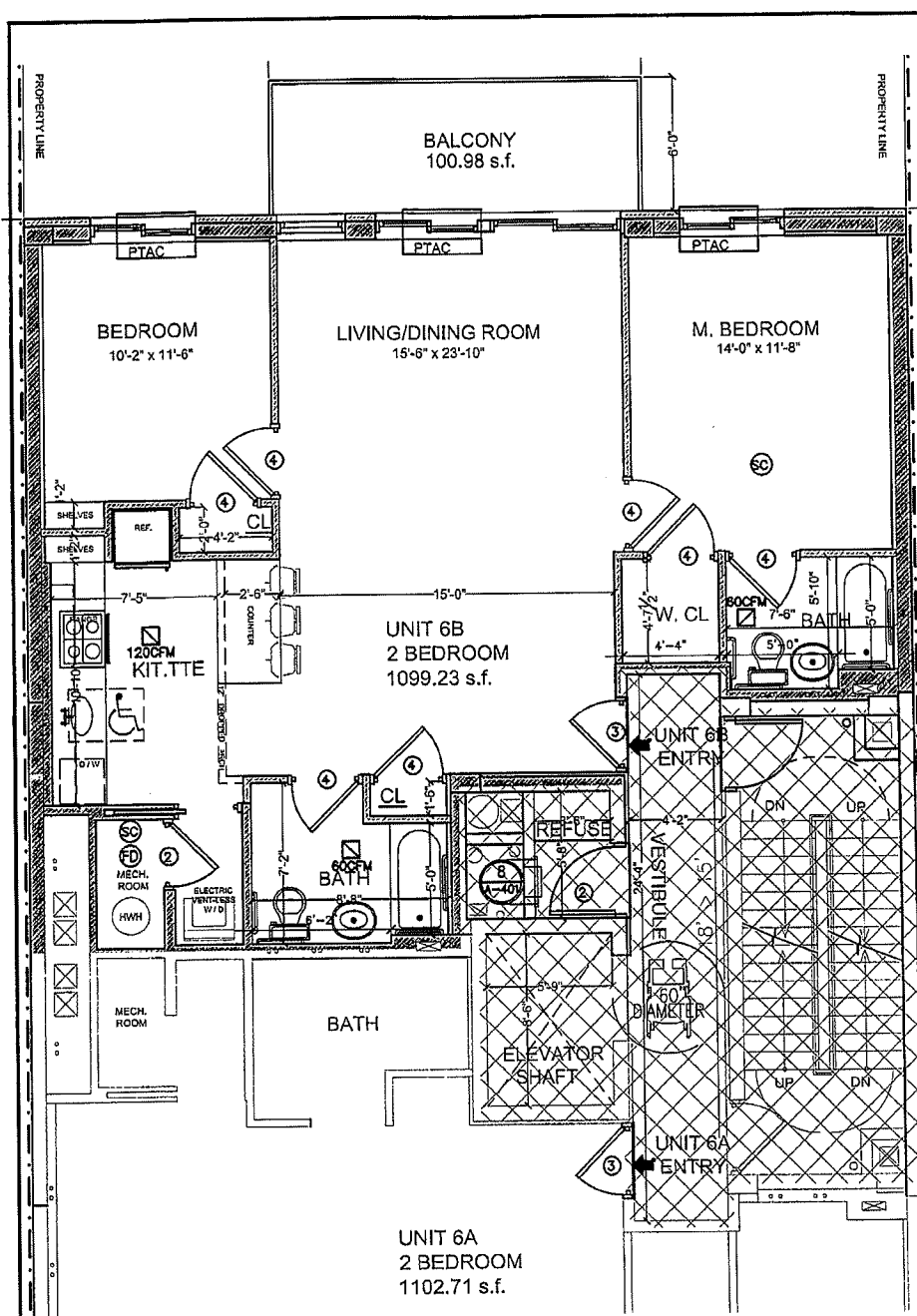
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 BALCONY IN FRONT: 100.96 s.f.
 CELLAR STORAGE SPACE: 52.30 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
 PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
 PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

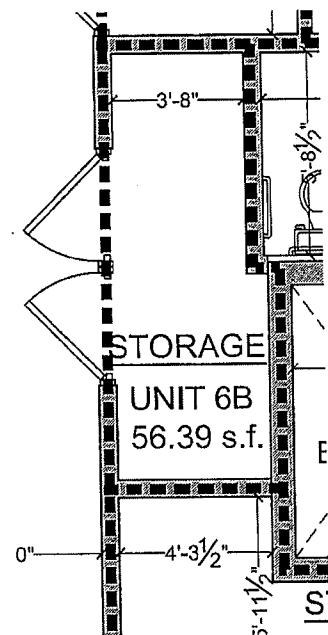


SITE PLAN

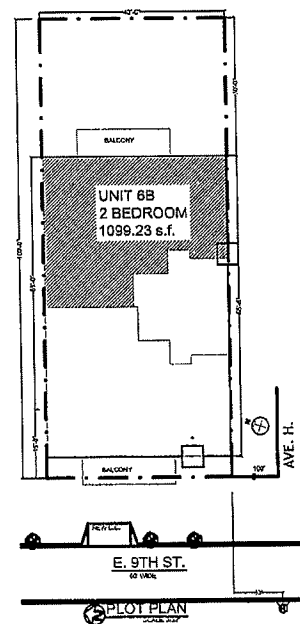




6TH FLOOR PLAN



SITE PLAN

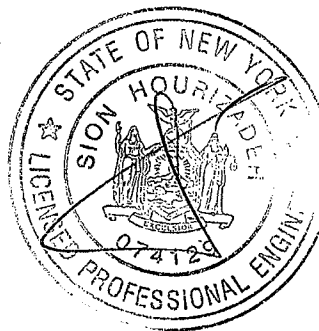


UNIT #6B

TWO-BEDROOM & 2 BATHROOM UNIT

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BALCONY IN FRONT: 100.96 s.f.
CELLAR STORAGE SPACE: 56.39 s.f.

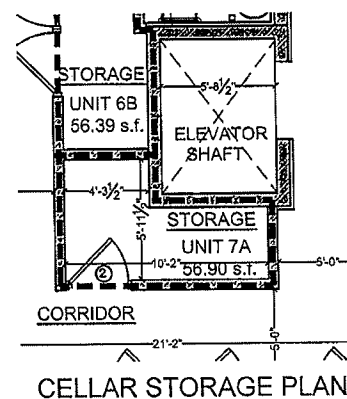
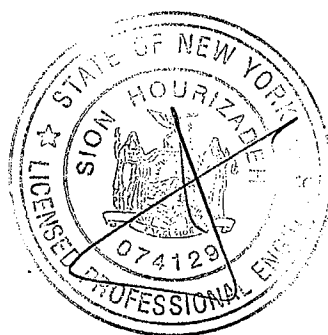
ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



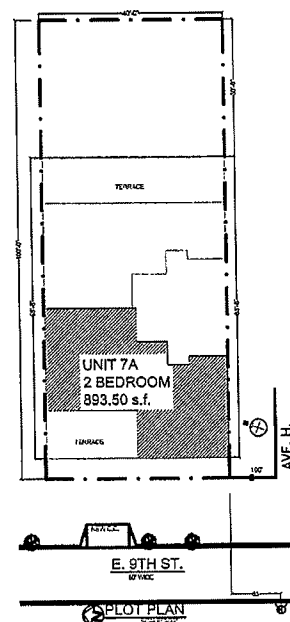
UNIT #7A

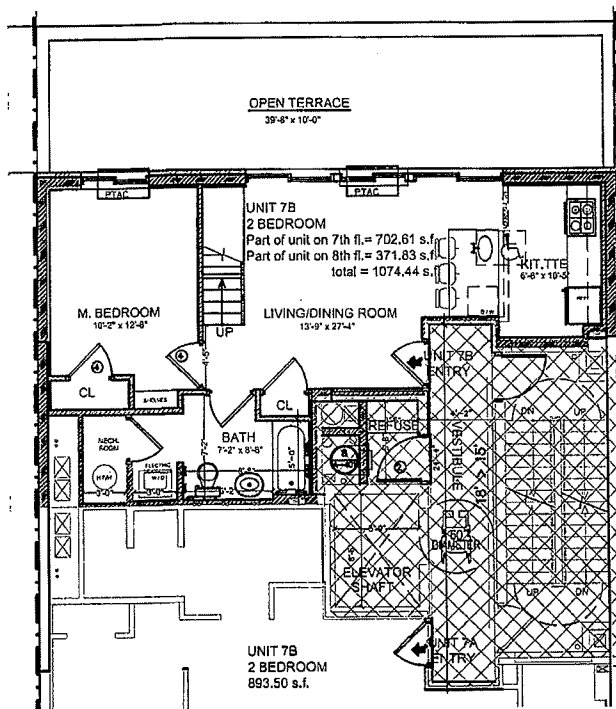
NET UNIT FLOOR AREA: 893.59 s.f.
BALCONY IN FRONT: 208.25 s.f.
CELLAR STORAGE SPACE: 56.90 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

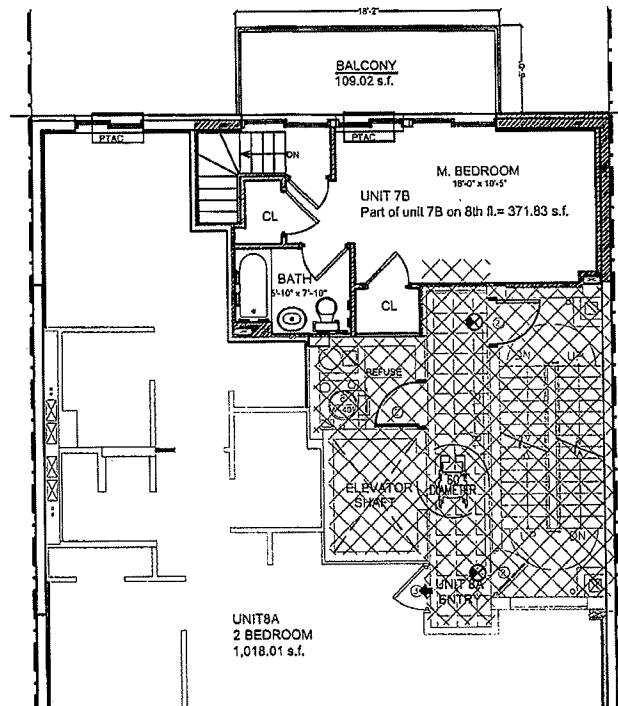


SITE PLAN

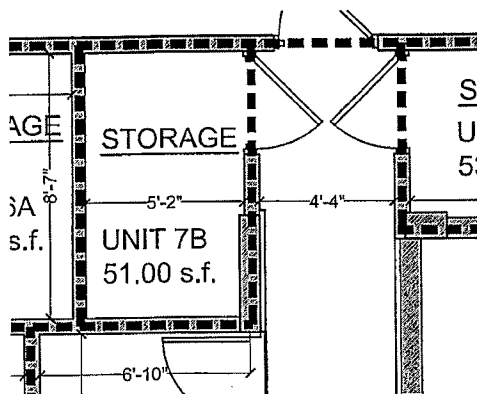




7TH FLOOR PLAN



8TH FLOOR PLAN



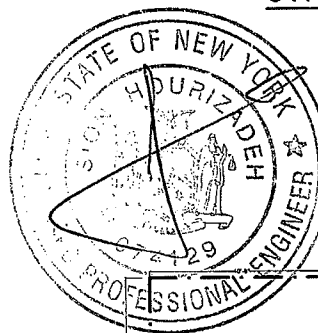
CELLAR STORAGE PLAN

UNIT #7B

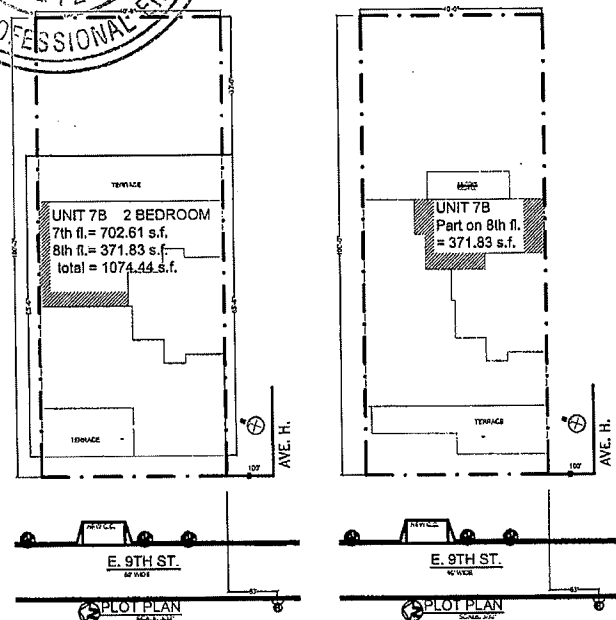
TWO-BEDROOM & 2 BATHROOM UNIT

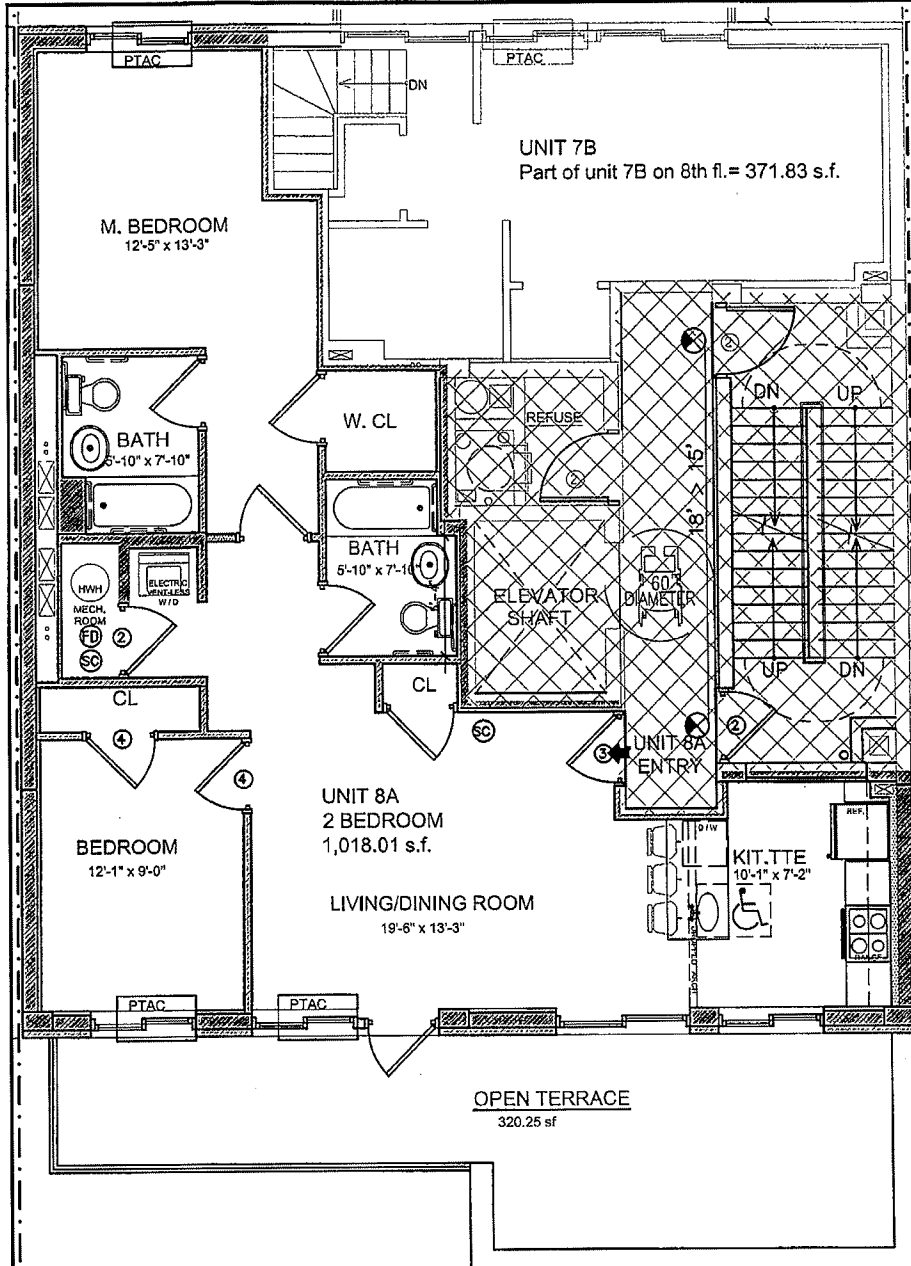
NET UNIT FLOOR AREA (AT 7TH FLOOR): 702.61 s.f.
TERRACE IN REAR: 396.66 s.f.
NET UNIT FLOOR AREA (AT 8TH FLOOR): 371.83 s.f.
BALCONY IN REAR: 109.02 s.f.
CELLAR STORAGE SPACE: 51.00 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



SITE PLAN





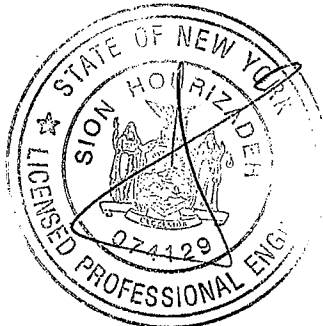
8TH FLOOR PLAN

UNIT #8A

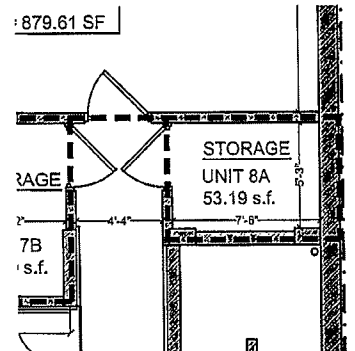
TWO-BEDROOM & 2 BATHROOM UNIT

NET UNIT FLOOR AREA: 1,018.01 s.f.
TERRACE IN FRONT: 320.25 s.f.
CELLAR STORAGE SPACE: 53.19 s.f.

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

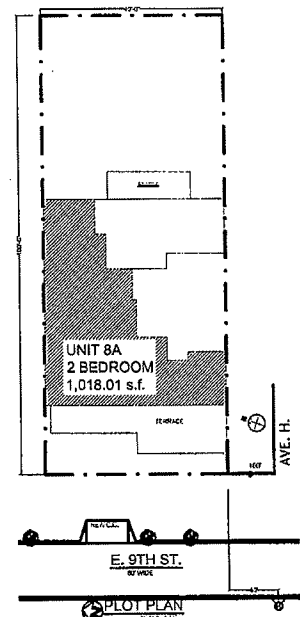


879.61 SF



CELLAR STORAGE PLAN

SITE PLAN

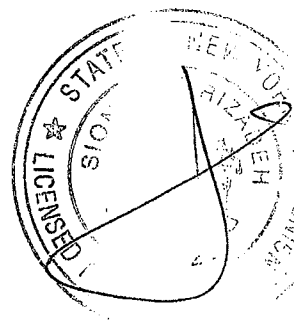


ROOF TERRACE & BULKHEAD PLAN

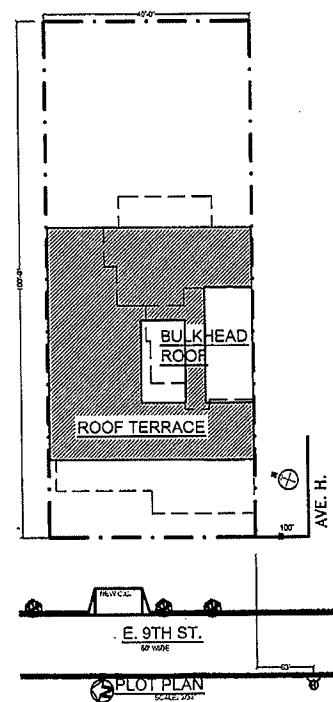
ROOF & BULKHEAD

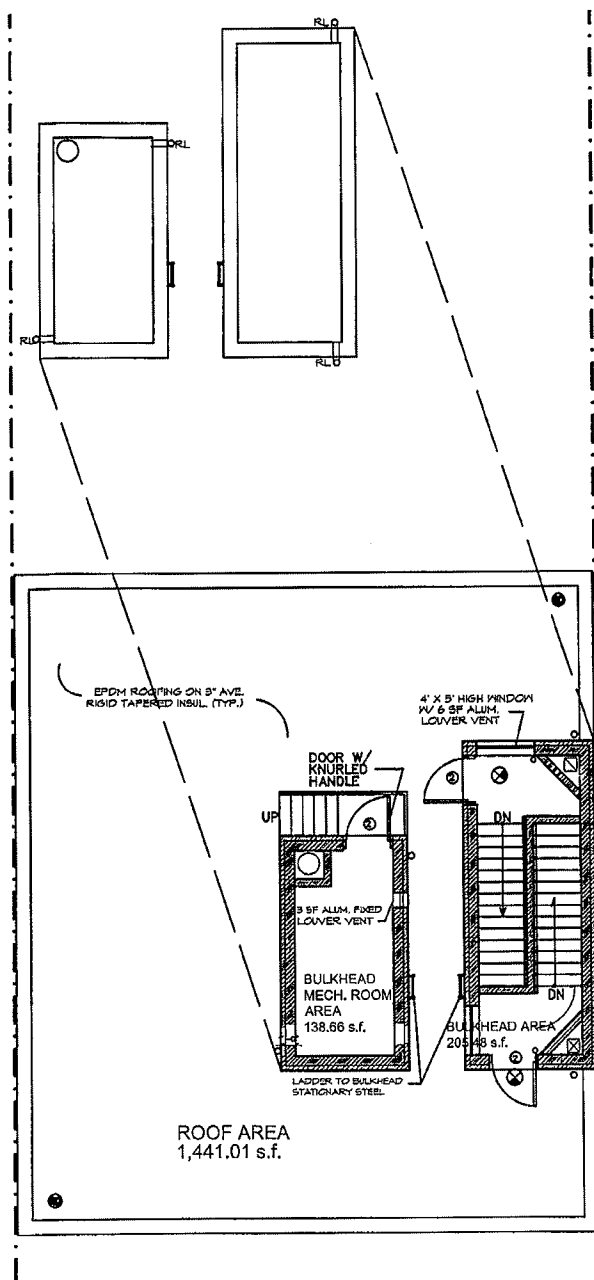
ROOF TERRACE AREA = 1,866.27 SF
BULKHEAD AREA = 380.18 SF

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION

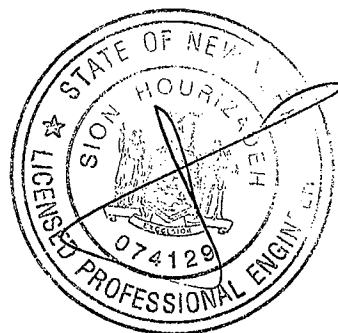


SITE PLAN

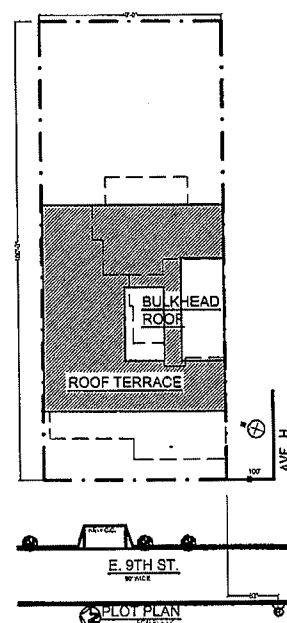




ROOF TERRACE &
BULKHEAD PLAN



SITE PLAN



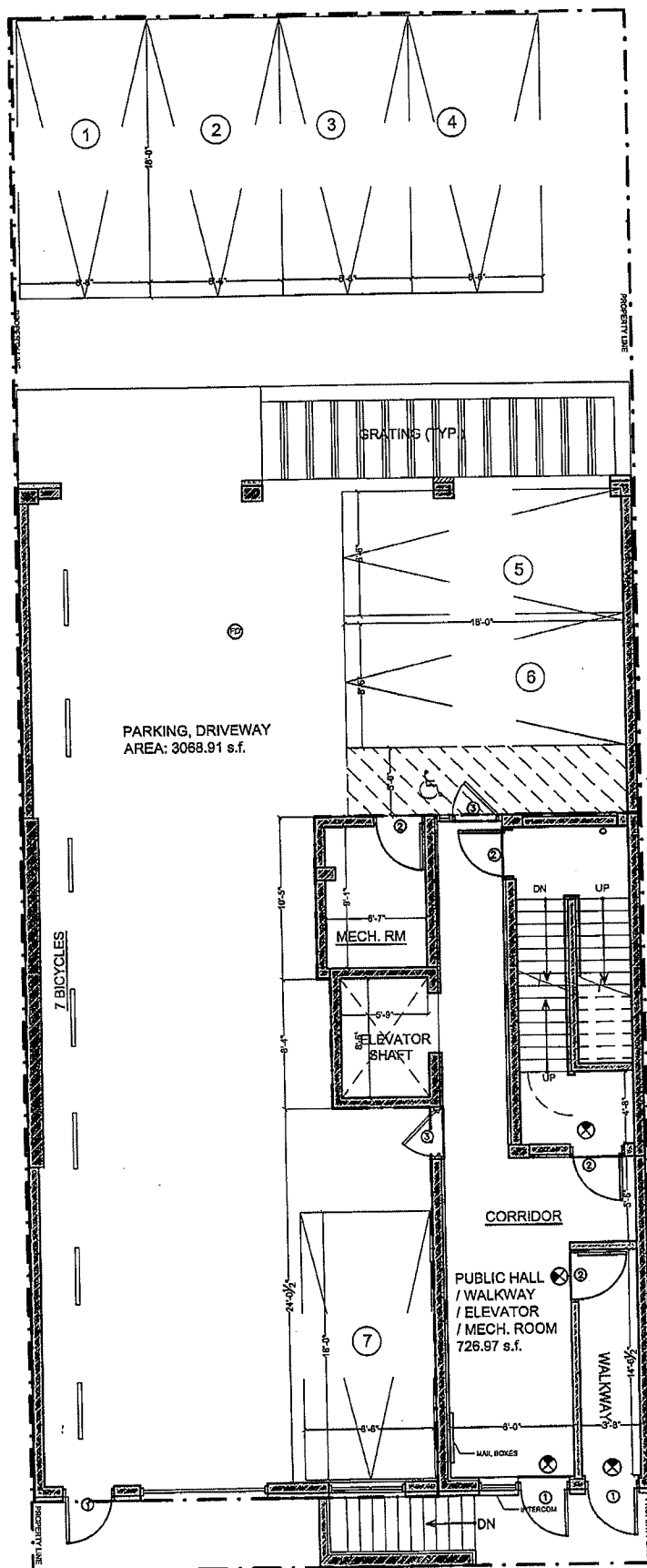
ROOF TERRACE

ROOF TERRACE AREA = 1,441.01 SF

BULKHEAD ROOF

BULKHEAD ROOF AREA = 344.14 SF

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR
FURTHER INFORMATION



 2 First Floor Plan
NTS

ALL DIMENSIONS ARE APPROXIMATE.
PLANS AND DIMENSIONS WILL VARY FROM FLOOR TO FLOOR.
PLEASE SEE YOUR SALES REPRESENTATIVE FOR FURTHER INFORMATION



NEW YORK STATE DEPARTMENT OF LAW
MODEL FORM OF ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 20____, by and among _____ ("PURCHASER"), 783 E 9th LLC, ("SPONSOR"), as sponsor of the Highline Condominium offering plan ("Plan") and Boris Saks, Esq., PLLC, ("ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale condominium ownership interests at the premises located at 781 East 9th Street, Brooklyn, New York, subject to the terms and conditions set forth in the Plan; and

WHEREAS, ESCROW AGENT is authorized to act as an escrow agent hereunder in accordance with New York General Business Law ("GBL") Sections 352-e(2-b), 352-h and the New York Department of Law's regulations promulgated thereunder; and

WHEREAS, SPONSOR and PURCHASER desire that ESCROW AGENT act as escrow agent for deposits, down payments, and advances (referred to herein as "Deposit") pursuant to the terms of this Agreement.

NOW, THEREFORE, in consideration of the covenants and conditions contained herein and other good and valuable consideration, the parties hereby agree as follows:

1. ESTABLISHMENT OF THE ESCROW ACCOUNT.

1.1. ESCROW AGENT has established an escrow account for the purpose of holding the Deposit made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of unit [] (the "Purchase Agreement") at Signature Bank located at 6321 New Utrecht Avenue, Brooklyn, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled Boris Saks, Esq. PLLC – Attorney Escrow Account/IOLA, or similar name ("Escrow Account"). The account number is _____.

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Boris Saks, Esq. All designated signatories are admitted to practice law in the State of New York.

All of the signatories on the Escrow Account have an address of 1732 East 12th Street, Brooklyn, New York 11229, and a telephone number of (718)998-1800.

1.3. 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 or release of the Deposit from escrow.

1.4 Neither ESCROW AGENT nor any authorized signatories on the Escrow Account are the Sponsor, Selling Agent, Managing Agent (as those terms are defined in the Plan), or any principal thereof, or have any beneficial interest in any of the foregoing .

1.5 The Escrow Account is not an IOLA account established pursuant to Judiciary Law Section 497.

2. DEPOSITS INTO THE ESCROW ACCOUNT.

2.1 All Deposits received from PURCHASER prior to closing, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be placed into the Escrow Account. All instruments to be placed into the Escrow Account shall be made payable directly to the order of Boris Saks, Esq. PLLC, as ESCROW AGENT, pursuant to the terms set forth in the Plan. Any instrument payable to, or endorsed other than as required hereby, and which cannot be deposited into such Escrow Account, shall be returned to PURCHASER promptly, but in no event more than five (5) business days following receipt of such instrument by ESCROW AGENT. In the event of such return of the Deposit, the instrument shall be deemed not to have been delivered to ESCROW AGENT pursuant to the terms of this Agreement.

2.2 Within five (5) business days after the Purchase Agreement has been tendered to ESCROW AGENT along with the DEPOSIT, ESCROW AGENT shall place the DEPOSIT into the Escrow Account. Within ten (10) business days of placing the DEPOSIT in the Escrow Account, ESCROW AGENT shall provide written notice to Purchaser and Sponsor, confirming the Deposit. Such notice shall set forth the Bank, the account number, and the initial interest rate earned thereon. If the PURCHASER does not receive notice within fifteen (15) business days after tender of the Deposit, the PURCHASER may cancel the Purchase Agreement within ninety (90) days after tender of the Deposit. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, 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 Escrow Account in accordance with the New York State Department of Law's regulations concerning the Deposit and requisite notice was timely mailed to the Purchaser.

3. RELEASE OF FUNDS

3.1 Under no circumstances shall SPONSOR seek or accept release of the Deposit of PURCHASER to SPONSOR 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 shall not relieve SPONSOR or ESCROW AGENT of any obligation to PURCHASER as set forth in GBL §§ 352-e(2-b) and 352-h.

3.2 ESCROW AGENT shall release the Deposit to PURCHASER or SPONSOR as directed:

3.2.1 pursuant to terms and conditions set forth in the Purchase Agreement and this Agreement, upon closing of title to the [shares/unit/membership interest/fractional interest];

3.2.2 in a subsequent writing signed by both SPONSOR and PURCHASER; or

3.2.3 by a final, non-appealable order or judgment of a court.

3.3 If Escrow Agent is not directed to release the Deposit pursuant to paragraph 3.2 above, and Escrow Agent receives a request by either SPONSOR or PURCHASER to release the Deposit, then Escrow Agent must give both the 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 PURCHASER and SPONSOR informing them of said release. If Escrow Agent receives a written notice from either PURCHASER or SPONSOR 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 paragraph 3.2 above. Notwithstanding the foregoing, Escrow Agent shall have the right at any time to deposit the Deposit contained in the Escrow Account with the Clerk of the county where the [unit/building] is located and shall give written notice to both SPONSOR and PURCHASER of such deposit.

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

3.4.1 Purchaser, if Purchaser timely rescinds in accordance with an offer of rescission contained in the Plan or an Amendment to the Plan; or

3.4.2 Purchaser after an Amendment abandoning the Plan is accepted for filing by the New York State Department of Law.

4. RECORDKEEPING.

4.1 ESCROW AGENT shall maintain all records concerning the Escrow Account for seven years after release of the Deposit.

4.2 Upon the dissolution of the law firm which was ESCROW AGENT, the former partners or members of the firm shall make appropriate arrangements for the maintenance of these records by one of the partners or members of the firm or by the successor firm and shall notify the New York State Department of Law of such transfer.

4.3 ESCROW AGENT shall make available to the Attorney General, upon request, all books and records of ESCROW AGENT relating to the funds deposited and disbursed hereunder.

5. GENERAL OBLIGATIONS OF ESCROW AGENT.

5.1 ESCROW AGENT shall maintain the Escrow Account under its direct supervision and control.

5.2 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.

5.3 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.

6. RESPONSIBILITIES OF SPONSOR.

6.1 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.

6.2 SPONSOR shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from PURCHASER and deliver such form to ESCROW AGENT together with the Deposit and Purchase Agreement.

7. TERMINATION OF AGREEMENT.

7.1 This Agreement shall remain in effect unless and until it is canceled by either:

7.1.1 Written notice given by SPONSOR to ESCROW AGENT of cancellation of designation of ESCROW AGENT to act in said capacity, which cancellation shall take effect only upon the filing of an amendment to the Plan with the Department of Law providing for a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law. PURCHASER shall be deemed to have consented to such cancellation;

7.1.2 The resignation of ESCROW AGENT, which shall not take effect until ESCROW AGENT is replaced by a successor escrow agent that meets the requirements set forth in applicable regulations of the New York State Department of Law, and notice is given to PURCHASER of the identity of the successor escrow agent, the Bank in the State of New York where the Deposit is being held, and the account number therefor.

7.2 Upon termination of the duties of ESCROW AGENT as described in paragraph 7.1.1 or 7.1.2 above, ESCROW AGENT shall deliver the Deposit held by ESCROW AGENT and the Purchase Agreement and any other documents maintained by ESCROW AGENT relating to the Deposit to the successor escrow agent.

8. SUCCESSORS AND ASSIGNS.

This Agreement shall be binding upon SPONSOR, PURCHASER, and ESCROW AGENT and their respective successors and assigns.

9. GOVERNING LAW.

This Agreement shall be construed in accordance with and governed by the laws of the State of New York.

10. ESCROW AGENT'S COMPENSATION.

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.

11. SEVERABILITY.

If any provision of this Agreement or the application thereof to any person or circumstance is determined to be invalid or unenforceable, the remaining provisions of this Agreement or the application of such provision to other persons or to other circumstances shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

12. INDEMNIFICATION.

SPONSOR agrees to defend, indemnify, and hold ESCROW AGENT harmless from and against all costs, claims, expenses, and damages incurred in connection with or arising out of this Agreement or the performance or non-performance of ESCROW AGENT'S duties under this Agreement, except with respect to actions or omissions taken or suffered by ESCROW AGENT in bad faith or in willful disregard of this Agreement or involving gross negligence of ESCROW AGENT. This indemnity includes, without limitation, 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.

13. ENTIRE AGREEMENT.

This Agreement, read together with GBL §§ 352-e(2-b) and 352-hand the New York State Department of Law's regulations, constitutes the entire agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year first written above.

ESCROW AGENT:

Boris Saks, Esq., PLLC

By: _____
Name: Boris Saks, Esq.

SPONSOR

783 E 9th LLC

By: _____
Name: _____
Title: Member

PURCHASER

[INSERT NAME]

By: _____
Name: _____
Title: _____

EXHIBIT "G"
DECLARATION

Establishing a Plan of Condominium Ownership of the Premises Located at
781 East 9th Street, Brooklyn, New York 11230
Pursuant to Article 9-B of the Real Property Law of the State of New York

Name: THE HIGHLINE CONDOMINIUM

Sponsor: 783 E 9th LLC
175 Great Neck Road, Suite 309
Great Neck, New York 11021

Date of Declaration:

The land affected by the within instrument lies in Block , Lot(s) on the Tax
Map of the Borough of Brooklyn, County of Kings, and State of New York.

Record & Return To:

Boris Saks, Esq., PLLC
1732 East 12th Street
Brooklyn, New York 11229

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DECLARATION
OF
THE HIGHLINE CONDOMINIUM

Pursuant to Article 9-B of the Real
Property Law of the State of New York

783 E 9th LLC, a New York Limited Liability Company having an office at 175 Great Neck Road, Suite 309, Great Neck, New York 11021 (“Sponsor”), hereby declares as follows:

ARTICLE 1
SUBMISSION OF THE PROPERTY

The Sponsor hereby submits the Land and Building (each hereinafter defined), and all other improvements erected thereon 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”).

ARTICLE 2
DESCRIPTION OF THE LAND

The Land consists of all that certain tract, plot and parcel of land situate, lying sand being in the County of Kings and State of New York, bounded and described in Schedule A annexed hereto and made a part hereof.

ARTICLE 3
DESCRIPTION OF THE BUILDINGS

The Condominium contains a total of thirteen (13) residential units (the “Residential Units”), and seven (7) open parking units (the “Parking Units”), the Residential Units, Parking Units and Storage Units may be collectively referred to as the “Units”) in a building consisting of eight (8) stories and a cellar.

The principal materials of which the Building is constructed are concrete, block, brick, wood and steel.

ARTICLE 4 THE UNITS

Schedule B annexed hereto and made a part of hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: the Unit designation, tax lot number, location, approximate area, number of rooms, common elements to which it has immediate access and the percentage of common interest appurtenant thereto. The location of each Unit, and any Limited Common Elements appurtenant thereto, is more clearly designated on the Floor Plans and reference should be made thereto for the statement of the location of each Unit.

ARTICLE 5 DESCRIPTION OF THE COMMON ELEMENTS

The Common Elements consist of all portions of the Property other than the Units, including, without limitation, the following:

- (a) The land on which the Building is located;
- (b) The foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, stairs, stairways, fire escapes, exterior walls and entrances and exits of the Building;
- (c) Central and appurtenant installations for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning and incinerating;
- (d) The elevators, escalators, tanks, pumps, motors, fans, compressors, ducts and in general all apparatus and installations existing for common use; and
- (e) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Certain portions of the Common Elements are irrevocably restricted in use to specified Unit Owners, subject to the right of the Board of Managers to enter upon any restricted area for maintenance, repair or improvement of a Unit or Common Element and subject to the rules of the Board of Managers. Any portion of the Common Elements which are not restricted in use may be used by any Unit Owner and are referred to as General Common Elements.

The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law.

The undivided interest in the Common Elements shall not be separated from the Unit to which it appertains and shall be deemed conveyed or encumbered with the Unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

ARTICLE 6 COMMON INTERESTS

Schedule B annexed hereto and made a part of hereof sets forth the percentage of Common Interest appurtenant to each Unit. In accordance with the Condominium Act, the Common Interests of each Unit have been allocated 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.

ARTICLE 7 USE OF BUILDING AND UNITS

Each of the Residential Units in the Building may be used only as a residence. No more than one family may occupy a single Residential Unit at one time. Each of the Parking Units may be used only as a parking space. Each of the Storage Units may only be used as a storage space.

ARTICLE 8 SERVICE OF PROCESS

The Secretary of State is designated as agent of the Board of Managers upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the Board of Managers served upon him is 175 Great Neck Road, Suite 309, Great Neck, New York 11021. The Board of Managers shall update said address as necessary.

ARTICLE 9 AMENDMENTS TO THE DECLARATION

Subject to the provisions contained herein or in the By-Laws, any provision of this Declaration may be amended, modified, added to, 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.

Notwithstanding the foregoing, no amendment shall be effective:

- (a) That restricts the rights of mortgagees;
- (b) Which changes the Common Interest of any Unit Owner, without the consent of the Unit Owner whose Common Interest would be affected thereby;
- (c) Which adversely affects the Sponsor, without Sponsor's consent; or
- (d) Until it is recorded in the Kings County Register's Office.

ARTICLE 10
POWER OF ATTORNEY TO BOARD OF MANAGERS

Each Unit Owner, by acceptance of a deed or otherwise succeeding to title to a Unit, shall be deemed to have irrevocably nominated, constituted and appointed as such Unit Owner's attorney-in-fact, coupled with an interest and with power of substitution the persons who shall from time to time constitute the Board of Managers, jointly to:

(a) acquire or lease any Unit, together with its Common Interest, appurtenant thereto, (i) whose Unit Owner desires to sell, convey, transfer, assign, lease or surrender such Unit, or (ii) that becomes the subject of a foreclosure or other similar sale, in the name of the Board of Managers or its designee, corporate or otherwise, on behalf of all Unit Owners;

(b) convey, sell, lease, mortgage or otherwise deal with (but not to vote the interest appurtenant to) any Unit so acquired or to sublease any Unit so leased; and

(c) execute, acknowledge and deliver, (i) any declaration or other instrument affecting the Condominium that the Board of Managers deems necessary or appropriate to comply with any applicable law in respect of the maintenance, demolition, construction, alternation, repair, restoration or other work in or to the Condominium, or (ii) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Condominium or the Common Elements that the Board of Managers deems necessary or appropriate.

In confirmation of the foregoing power of attorney, each Unit Owner, upon the request of the Board of Managers, shall duly execute, acknowledge and deliver to the requesting party, for recording in the Register's Office, a Unit Owner's Power of Attorney in the form set forth in Exhibit C of the Offering Plan.

ARTICLE 11
ACQUISITION OF UNITS BY THE BOARD OF MANAGERS

In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Condominium Act or in the event the Board of Managers shall purchase, acquire or lease any Unit, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners, in proportion to their respective Common Interests.

ARTICLE 12
ALTERATIONS

To the extent permitted by law, with respect to Units owned by the Sponsor, the Sponsor or its successor shall have the right, without the vote or consent of the Board of Managers, other Unit Owners, or mortgagees of record, if any, to perform work, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to, and upon the Units, change the layout of or number of rooms in any Unit, change the size and/or number of Units by subdividing one or more

Units into two or more separate Units, combining two or more separate Units into one or more Units altering the boundary walls of any Units, or otherwise, and if appropriate, reapportion among such Units affected by such change their respective Common Interests, provided that the Sponsor shall comply with all applicable laws, agrees to hold the Board of Managers and all other Unit Owners harmless from any claims arising therefrom, and such alteration shall not jeopardize the structural integrity of the Building or the safety of any Unit Owner, tenant or other persons at the Property. No physical modification, or change in the Common Interests or dimensions of a Unit not owned by the Sponsor shall be made, without the consent of the Owner of the Unit affected.

No reapportionment of the Common Interests shall be made without a duly filed amendment to the Offering Plan.

ARTICLE 13 ENCROACHMENTS

If any portion of a Unit or the Common Elements encroaches upon another Unit or on the Common Elements as a result of original construction or settling of the Building, a valid easement for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and are rebuilt the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforescribed due to construction, shall be permitted, and that a valid easement for said encroachment and the maintenance thereof shall exist so long as the Building or reconstructed Building shall stand.

ARTICLE 14 EASEMENTS

Each Unit Owner shall have, in common with all other Unit Owners, an easement, for the use of the Common Elements.

Any portion of such pipes, wires, conduits and public utility lines located in the Common Elements will be owned in common by the Unit Owners. Every Unit Owner shall have an easement in common with the owners of other Units to maintain and use all pipes, wires, conduits and public utility lines located in other Units and servicing such Unit Owner's Unit. Each Unit shall be subject to an easement in favor of the Unit Owners of other Units to maintain and use the pipes, wires, conduits and public utility lines servicing such other Units and located in such Unit. The Board of Managers shall have a right of access to each Unit for maintenance, repair or improvements to any pipes, wires, conduits and public utility lines located in any Unit and any other Unit. The cost of such repairs shall be a common expense.

The Board of Managers shall have a right of access to all Common Elements for maintenance, repair or improvement whether such common elements are restricted or not.

The Board of Managers and Owner(s) of a Unit shall have an easement to maintain and use

all pipes, wires, conduits, meters and public utility lines located in the other Unit(s) and servicing such Unit Owner's portion of the Building.

The Sponsor, its successors, assigns, and purchasers, reserves the easements, licenses, rights and privileges of a right-of-way in, through, over, under and across the Common Elements of the Condominium for the purpose of completing any rehabilitation or renovation to the Building and for sale of Units and facilities in the Condominium and, towards this end, reserves the right to grant and reserve easements and rights-of-way in, through, under, over and across the Common Elements for the installation, maintenance and inspection of lines and appurtenances for public or private water, sewer, drainage, cable television and other utilities and for any other materials or services necessary for the completion of the work. The Sponsor, its successors, assigns, and purchasers, also reserve the right to connect with and make use of any utility lines, wires, pipes, conduits, cable television, sewers and drainage lines which may from time to time be in or along any of the Common Elements. This paragraph shall not be amended without the consent of the Sponsor.

Each Unit and the Common Elements 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.

ARTICLE 15

COVENANTS RUNNING WITH THE LAND

All provisions of this Declaration, the By-Laws and the Rules and Regulations, including, without limitation, the provisions of this Article 15 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 thereof shall be binding upon, and shall inure to the benefit of, the owner of all or any part thereof, or interest therein, and his heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create nor shall they be construed as creating, any rights in, or for the benefit of, the general public.

All present and future Unit Owners, tenants and occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or entering into a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant, or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time interest or estate in such Unit as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease thereof.

ARTICLE 16

COVENANT OF FURTHER ASSURANCES

Any Person subject to terms of this Declaration, the By-Laws and the Rules and Regulations, whether such Person is a Unit Owner, a tenant or subtenant of a Unit Owner, an occupant of a Unit, a member of the Board of Managers, an officer of the condominium, or otherwise, shall, at the expense of any other person so requesting, execute, acknowledge and deliver to such other person such instruments, in addition to those specifically provided for in the Declaration, the By-Laws and the Rules and Regulations, and take such other action as such other person may reasonably request in order either to effectuate the provisions of the Declaration, the By-Laws and the Rules and Regulations or any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

If any Unit Owner or other person subject to the terms of the Declaration, the By-Laws and the Rules and Regulations fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that such Unit owner or person is required to execute, acknowledge and deliver or to take pursuant to the Declaration, the By-Laws and the Rules and Regulations, then the Board of Managers is hereby authorized, as attorney-in-fact for such Unit Owner or other person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such other action, in the name of such Unit Owner or other person, and such document or action shall be binding on such Unit Owner or other person.

If the Board of Managers, any Unit Owner or other person subject to the terms of the Declaration, the By-Laws and the Rules and Regulations, fails to execute, acknowledge or deliver any instrument, or fails or refuses, within ten (10) days after request therefor, to take any action that the Board of Managers, such Unit Owner or person is required to execute, acknowledge and deliver or to take pursuant to the Declaration, the By-Laws and the Rules and Regulations, at the request of the Sponsor, then the Sponsor is hereby authorized, as attorney-in-fact for the Board of Managers, such Unit Owner or other person, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of the Board of Managers, such Unit Owner or other person, and such document or action shall be binding on the Board of Managers, such Unit Owner or other person, as the case may be.

ARTICLE 17

WITHDRAWAL

If withdrawal of the property from the provisions of the Condominium Act is authorized by at least eighty per cent in number and in Common Interest of the Units, then 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 the 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 off out of his share of such net proceeds all liens on his Unit.

ARTICLE 18
SUCCESSORS AND ASSIGNS

The rights and obligations of Sponsor as set forth herein and in the By-Laws shall inure to the benefit of and be binding upon any successor, assign or designee of Sponsor or, with Sponsor's consent any transferee of all their Unsold Units. Subject to the foregoing, Sponsor may at any time assign or transfer its interests herein, whether by merger, consolidation, lease, assignment or otherwise.

ARTICLE 19
SEVERABILITY

The invalidity or unenforceability of any of the covenants, limitations or provisions of the Declaration, the By-Laws or the Rules and Regulations shall in no way affect any of the remaining parts thereof, and the same shall continue to be in full force and effect.

ARTICLE 20
WAIVER

No provision contained in this Declaration shall be deemed to have been abrogated or waived by reason of any failure to enforce the same irrespective of the number of violations or breaches which may occur.

ARTICLE 21
CAPTIONS

The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of this Declaration or the intent of any provision hereof.

ARTICLE 22
GENDER

The use of the masculine gender in this Declaration shall be deemed to refer to the feminine gender and the use of the singular gender shall be deemed to refer to the plural, and vice versa, whenever the context so requires.

IN WITNESS WHEREOF, Sponsor has caused this Declaration to be executed as of the ____ day of _____, 20__.

783 E 9th LLC

By: _____

STATE OF NEW YORK)
) ss.:
COUNTY OF)

On the ____ day of _____, in the year _____, before me, the undersigned, a Notary Public in and said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public

SCHEDULE A
TO THE DECLARATION OF CONDOMINIUM
OF THE HIGHLINE CONDOMINIUM
DESCRIPTION OF THE LAND

(TO BE COMPLETED PRIOR TO RECORDING OF DECLARATION)

SCHEDULE B
TO THE DECLARATION OF CONDOMINIUM
OF THE HIGHLINE CONDOMINIUM

(TO BE COMPLETED PRIOR TO RECORDING OF DECLARATION)

EXHIBIT “H”

BY-LAWS

OF

THE HIGHLINE CONDOMINIUM

Boris Saks, Esq., PLLC
Attorneys for the Sponsor
1732 East 12th Street
Brooklyn, New York 11229

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BY-LAWS OF THE HIGHLINE CONDOMINIUM

ARTICLE I PLAN OF CONDOMINIUM OWNERSHIP

Section 1: Condominium Unit Ownership

The property located in the Borough of Brooklyn and County of Kings and City and State of New York, as specifically set forth in the Declaration of Condominium (the "Declaration") executed by 783 E 9th LLC (the "Sponsor"), and more commonly known as The Highline Condominium, has been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York.

Section 2: By-Laws Applicability

The provisions of these By-Laws are applicable to the Condominium. The term "Condominium" as used herein shall include the land and buildings and improvements thereon including the Condominium Units (hereinafter referred to as "Units"), and the Common Elements and the use and occupancy thereof. The term "Building" as hereinafter used shall be defined as the exterior walls, roof of a Unit or number of Units all of which are constructed under a continuous roof or the entire interior and exterior of any Building or structure which shall form a portion of the Condominium but which does not contain any of the Units. The definitions contained in the Declaration of Condominium shall be applicable to these By-Laws unless otherwise stated.

Section 3: Personal Application

All present or future Unit Owners, mortgagees and lessees, or their employees, guests or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and any Rules and Regulations established by the Board of Managers. The mere acquisition, occupancy or rental of any of the Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with.

ARTICLE II BOARD OF MANAGERS

Section 1: Nomination and Election

The first Board of Managers (the "Board") shall consist of two (2) Managers designated by the Sponsor who shall hold office and exercise all powers of the Board until the first annual meeting of the Unit Owners. Until succeeded by the Managers elected at the first annual meeting of Unit Owners, Managers need not be Unit Owners; thereafter, all Managers other than designees or nominees of the Sponsor shall be Unit Owners. At the first annual meeting of Unit Owners a

maximum of five (5) Managers shall be elected by the Unit Owners. The term of office of each Manager shall be fixed at one (1) year. Separate ballots shall be conducted for each of the five terms of office. Each Unit Owner shall be entitled to cast one vote on each ballot for each Unit he owns. At the expiration of the initial term of office of each respective Manager, his successor shall be elected to serve a term of one (1) year. The Managers shall hold office until their successors have been elected and hold their first meeting. Notwithstanding the foregoing, the Sponsor shall have the right to designate a majority of the Board until two (2) years from the date of conveyance of title to the first Unit or until the unsold Units constitute less than fifty (50%) percent of the common interest. Thereafter the Sponsor shall have the right to designate one (1) member of the Board so long as it continues to own at least one Unit. This Section may not be amended without the written consent of the Sponsor.

Section 2: Powers and Duties

The property and business of the Condominium shall be managed by the Board, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by statute or by the Declaration or by these By-Laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

1. To determine and levy monthly assessments ("Common Charges") to cover the cost of Common Expenses, payable in advance. The Board may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increases can only be assessed among the Unit Owners in accordance with these By-Laws;
2. To collect, use and expend the assessments collected to maintain, care for and preserve the Building, Units and the Common Elements;
3. To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings within the limitations of these By-Laws;
4. To enter into and upon the Units, when necessary, with notice to the Unit Owners thereof whenever possible and practical and at as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the Property;
5. To open bank accounts on behalf of the Condominium and to designate the signatories to such accounts;
6. To insure and keep insured the Common Elements and Units in accordance with these By-Laws;

7. To make reasonable rules and regulations as permitted by applicable law, statute, the Declaration or these By-Laws applicable to the Units and Unit Owners, and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and all amendments shall be delivered to each Unit;
8. To collect delinquent assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the Property for violations of the Rules and Regulations;
9. To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the power of manager in connection with the matters hereinabove set forth;
10. To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium. The Board, in its discretion, may fund the cost of any such litigation out of the common charge assessments or levy special assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration and these By-Laws and may fund the cost of any such litigation out of the common charge assessments or levy special assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the maintenance and operation of the Common Elements;
11. To purchase or otherwise acquire Units in foreclosure, as a result of abandonment or pursuant to the right of first refusal of the Condominium on behalf of all Unit Owners, and to take any and all steps necessary to repair or renovate any Unit so acquired, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board;
12. To grant utility, cable television or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners or any mortgagee (except that if the granting of such easement impairs the ability of one or more Unit Owners who have the right to use such Common Elements to the exclusion of any other Unit Owners, the consent of all such affected Unit Owners shall be required in writing before such easement shall be granted);
13. To make additions, alterations, or improvements to the Common Elements, the cost of which addition, alteration or improvement does not exceed \$2,500. The Board may make additions, alteration or improvements to the Common Elements costing in excess of \$2,500 only with the approval of a majority of the Unit Owners. While the Sponsor is in control of the Board, the Board may make additions, alterations or improvements to the Common Elements costing in excess of \$2,500 or enter into service or maintenance contracts the duration of which will extend more than one

year after the Sponsor loses control of the Board, only with the approval of a majority of the Unit Owners, excluding the Sponsor, voting at a duly held meeting of the Unit Owners. In addition, the Sponsor must give its written approval. Notwithstanding the above, nothing in this section shall impair the Board of Managers obligation to make necessary repairs and replacements.

14. To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least 66-2/3% in number of all Unit Owners obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of \$2,500 and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the written consent of the Owner of said Unit.
15. To act as an agent for one or more Unit Owners to file a single complaint and bring a special proceeding on behalf of Unit Owners who wish to contest the real estate tax assessment of their Unit pursuant to Section 339-y(4) of the New York Real Property Law. In such event, the Board could retain counsel on behalf of such Unit Owners and charge such Unit Owner(s) for whom it is acting a pro-rata share of expenses, disbursements and legal fees, the payment for which would be secured by a lien on each Unit. The Board is not obligated to perform such services and it is necessary to obtain the written authorization of the Unit Owner(s) it will perform such service for.

Notwithstanding anything to the contrary contained in these By-Laws, so long as the Sponsor or its designee shall continue to own Units representing twenty-five (25%) percent in number but in no event later than five (5) years from the date of the closing of title to the first Unit, the Board may not, without the Sponsor's prior written consent: (i) make an addition, alteration or improvement to the Common Elements or to any Unit, costing cumulatively more than \$2,500, the foregoing not to include necessary repairs and maintenance work, or (ii) assess any common charges for the creation of, addition to, or replacement of all or part of a reserve, contingency or surplus fund, or (iii) hire any employee in addition to the employees referred to in the Offering Plan, or (iv) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the first closing of title to a Unit, or (v) borrow money on behalf of the Condominium or (vi) amend the Declaration or these By-Laws. Except as hereinafter provided, all maintenance, painting, repair and replacement of the General Common Elements and Residential Limited Common Elements including but not limited to exterior walls, roof and roof members of the Building, as well as painting, repair and/or maintenance of the exterior surfaces, roof, windows and doors which open from the Building, as well as all maintenance, repairs and replacements of foyers and stairways of the Building, and of any pipes, wires, conduits and utility lines, or any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and utility lines as are located in the General Common Elements or Residential Limited Common Elements but serve one or more Units shall be contracted for by the

Board of Managers and the cost thereof shall be a General Common Expense for the General Common Elements and a Residential Common Expense for the Residential Limited Common Elements except if such maintenance, painting, repair or replacement is necessitated because of the negligence, misuse or neglect of the Unit Owner or the prior alteration of the Unit by the Unit Owner, in which event the cost thereof shall be assessed to and paid by the Unit Owner.

Except as hereinafter provided, all repairs and replacement of windows, irrevocably restricted areas and snow removal from the Common Elements shall be contracted for by the Board and the cost thereof shall be a Common Expense except that the cost of any maintenance or repairs necessitated because of the negligence, misuse or neglect of a Unit owner or prior alteration of a Unit shall be assessed to and paid by the Unit Owner.

The Board shall repair all windows, plumbing stoppages and electrical repairs occurring in the Common Elements.

The Board and its agents, employees and contractors shall have a reasonable right of access to any Unit and to all portions of the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of the Condominium. Whenever possible and practical, notice of such access or intent to gain access shall be given to the Unit Owner by the Board.

All repairs, painting or maintenance, whether made by the Unit Owner or the Board of, to the doors, windows, or the exterior surface of the Building or to any generally visible portion of the Common Elements shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor, unless varied by the Board.

In the event that a Unit Owner fails to make any maintenance or repair, which maintenance or repair is necessary to protect any of the Common Elements, that may affect other portions of the Building or any other Unit, the Board shall have the right to make such maintenance or repair (after the failure of said Unit Owner to do so after ten (10) days written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge said Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Elements restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, the Board shall be entitled to bring suit thereon and, in such event, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

Section 3: Compensation

Managers and officers shall receive no compensation for their services as such.

Section 4: Removal

Managers, other than Sponsor designees, may be removed for cause by an affirmative vote

of a majority of the Unit Owners. No Manager, other than a member of the First Board of Managers or a Manager elected or designated by the Sponsor, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner. Such member shall be deemed to have resigned effective as of the date such ownership ceased. A Manager designated by the Sponsor or its designee may only be removed by the Sponsor or its designee and only they shall have the right to designate a replacement.

Section 5: Managing Agent:

The Board may employ for the Condominium a managing agent or manager under a term contract or otherwise at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to, all of the delegable duties of the Board. While Sponsor is in control of the Board, it will not enter into contracts which bind the Condominium for a period of more than five (5) years (except Cable Television agreements) after the closing of the first Unit unless the contract provides that it may be canceled by the Condominium upon ninety (90) days notice.

ARTICLE III UNIT OWNERS

Section 1: Meetings

It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10) but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 2: Quorum

So many Unit Owners, present in person or represented by written proxy, as shall represent at least fifty-one (51%) percent of the total authorized votes of all Unit Owners shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by statute, by the Declaration or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereafter present in person or represented by written proxy, shall have power to adjourn the meeting from time to time without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 3: Adoption of Binding Decisions

When a quorum is present at any meeting, the vote of a majority of the Unit Owners present

in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question

ARTICLE IV ELECTION OF OFFICERS

Section 1: President

The Board at its first meeting after each annual Unit Owners' Meeting shall elect a President from among the Board, who shall preside over the meetings of the Board and of the Unit Owners.

Section 2: Secretary

The Board at its first meeting after each annual Unit Owners' Meeting shall elect a Secretary, who shall keep a record wherein actions of the board and of Unit Owners' Meetings shall be recorded.

Section 3: Treasurer

The Board at its first meeting after each annual Unit Owners Meeting shall elect a Treasurer, who shall keep the financial records and books of account.

ARTICLE V OPERATION OF THE PROPERTY

Section 1: Determination of Common Charges

The Board shall from time to time, and at least annually, prepare a budget for the operation of the Common Elements, determine the amount of the Common Charges payable by the Unit Owners to meet the Common Expenses of the Common Elements, and allocate and assess such Common Charges and Expenses among the Unit Owners in proportion to their respective Common Interests.

The Common Charges of the Condominium shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board. The Common Expenses may also include such amounts as the Board may deem proper for the operation and maintenance of the Common Elements, including, without limitation an amount for working capital of the Condominium, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the Common Expenses for any prior year. The Common Expenses may also include such amounts as may be required for the purchase or lease by the Board or its designee, corporate or otherwise, on behalf of all Unit Owners, of any Unit whose

Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale.

Section 2: Payment of Common Expenses

The Board shall advise all Unit Owners promptly, in writing, of the amount of Common Charges and Expenses payable by each of them, respectively, as determined by the Board, as aforesaid, and shall furnish copies of each budget on which such Common Charges and Expenses are based to all Unit Owners.

The Sponsor or its designee shall be responsible for the Common Charges assessed against each Unit owned by it until such Unit is sold to a bona fide purchaser.

Section 3: Managing Agent

The Board may employ a managing agent under a term contract or at a compensation established by the Board to perform any and all duties the Board shall authorize. The Board shall have the right to terminate the use of a managing agent as it deems fit.

ARTICLE VI USE OF THE PROPERTY

Section 1: Use of the Units

Owners of a Unit, members of their families, their employees, invitees, guests and their pets, if permitted, shall not use or permit the use of the premises in any manner which would be illegal, immoral, improper or disturbing or a nuisance to other Owners, or in such a way as to be injurious to the reputation of the Condominium. All valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed. Notices of violations of laws, order, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the Property, shall be complied with, by and at the sole expense of the Unit Owners or the Board of Managers, whichever shall have the obligation to maintain such portion of the Property.

Section 2: Use of the Common Elements

The Common Elements shall not be obstructed, littered, defaced or misused in any manner.

Every Unit Owner shall be liable for any and all damage to the Common Elements and the property of the Condominium, which shall be caused by said Unit Owner or such other person for whose conduct he is legally responsible.

Section 3: Maintenance of the Units

Every Unit Owner must perform promptly all maintenance and repair work to his Unit which, if omitted would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which his Unit forms a part, he being expressly responsible for the damages and liabilities that his failure to do so may engender.

All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations shall be at the Unit Owner's expense.

Each Unit Owner shall keep his Unit and its appurtenant irrevocable restricted areas in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

Section 4: Alterations to the Units

A Unit Owner may not make any alterations or modifications, including painting, to the exterior of the Unit, or any part of the Common Elements, without the written consent of the Board of Managers. A Unit Owner shall not make structural or mechanical modifications to the Unit or other alterations which would impair the structural soundness of the Unit or Building without the written consent of the Board of Managers or its designated managing agent. Consent may be requested by mailing a letter, certified mail, return receipt requested to the managing agent, if any or to the President of the Board of Managers, if no managing agent is employed. The Board of Managers shall have the obligation to answer within sixty (60) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alterations. All work done pursuant to this Section must be done in accordance with all applicable rules, regulations, permits and zoning ordinances of any governmental agencies having jurisdiction thereof. All necessary approvals must be obtained and submitted to the Board of Managers upon submission of the written request for consent to do the work to the Board of Managers. Any interior alterations or improvements made to a Unit shall be made in accordance with all applicable rules, regulations and zoning ordinances of any governmental agencies having jurisdiction thereof. This paragraph shall not apply to Sponsor.

The Sponsor or its designees shall have the right, without the consent of the Board of Managers other Unit Owners or their mortgagees, to (i) make alterations, additions or improvements structural and non-structural, ordinary and extraordinary, interior and exterior, in, to, and upon any Units owned by it; (ii) change the layout or number of rooms in the Units; (iii) change the size and/or number of Units by subdividing a Unit, combining separate Units (including those resulting from such subdivision or otherwise) into one or more Units or altering the boundary walls between Units or otherwise; (iv) reapportion among the Units affected by such change their appurtenant interest in the Common Elements; provided, however, that in each instance such alterations or changes do not impair the structural soundness of the Unit or the Building and the Sponsor or its designee complies with all laws ordinances and regulations of all governmental authorities having jurisdiction and shall hold the Board of Managers and all other Unit Owners harmless from any liability arising therefrom. The provisions of this subparagraph (b) may not be amended or modified without the written consent of the Sponsor.

The Board of Managers will execute any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such installation or structural addition, alteration or improvement made by the Sponsor or his designee to any Unit, provided, however, that neither the Board of Managers nor the other Unit Owners shall be subjected to any expense or liability by virtue of the execution of the application or such other document.

Section 5: Rules and Regulations

A. In addition to other provisions of the By-Laws, the following Rules and Regulations together with such additional rules and regulations as may hereafter be adopted by the Board shall govern the Condominium and the conduct of all Unit Owners, residents and/or occupants:

B. No Unit Owner shall post any advertisement or posters of any kind in or on the Condominium except as authorized by the Board of Managers.

C. It is prohibited to hang garments, rugs, etc. from the windows, or from the Building or to string clothes lines on or over the Common Elements or to use any of the Common Elements for storage purposes except for storage areas that may be assigned to a Unit Owner as a Limited Common Element. No storage of flammable liquids or other flammable material or any valuables shall be stored in any storage-areas. All provisions for safety shall be the sole responsibility of the Unit Owner and the Unit Owner should have their own insurance covering the storage area.

D. No Unit Owner shall paint the exterior surfaces of the windows, walls, or doors opening out of his Unit.

E. No television or radio antenna or any other type of receiving or transmitting antenna or structure shall be erected on the exterior of the Building without the prior written consent of the Board of Managers.

F. The sidewalks, entrances, passages, public halls, vestibules, corridors and stairways of or appurtenant to the Building shall not be obstructed or used for any purpose other than ingress to and egress from the Units. No vehicle belonging to a Unit Owner, to a family member or a Unit Owner, or to a guest, tenant, subtenant, licensee, invitee, employee, or agent of a Unit Owner shall be parked in such a manner as to impede or prevent ready access to any entrance to, or exit from the Building.

G. No baby carriages, bicycles, scooters, or similar vehicles shall be allowed to stand in the public halls, passageways, or other public areas of the Building.

H. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed or stored in any of the halls or on any of the staircases of the Building, nor shall any fire exit thereof be obstructed in any manner.

I. Nothing shall be hung or shaken from any doors, windows, or placed upon the exterior window sills, of the Building, and no Unit Owner shall sweep or throw, or permit to be swept or thrown, any dirt, debris or other substance therefrom.

J. There shall be no playing or lounging in the entrances, passages, public halls, vestibules, corridors, or stairways, of the Building, except in designated recreational areas, if any, or other areas designated as such in the Declaration or by the Board.

K. The Board or the Managing Agent may, from time to time, curtail or relocate any portion of the Common Elements devoted to storage, recreation, or service purposes in the Building.

L. Nothing shall be done or kept in any Unit or in the Common Areas that will increase the rate of insurance of the Building or the contents thereof, without the prior written consent of the Board. No Unit Owner shall permit anything to be done or kept in his Unit or in the Common Areas, that will result in the cancellation of insurance on the Building, or the contents thereof, or that would be in violation of any Law. No Unit Owner or any of his family members, agents, servants, employees, licenses, or visitors shall, at any time, bring into or keep in his Unit or Common Areas any inflammable, combustible, or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit or Common Areas.

M. No Unit owner shall make, cause, or permit any unusual, disturbing, or objectionable noises or odors to be produced upon or to emanate from his Unit or its appurtenant Common Elements or permit anything to be done therein that will interfere with the rights, comforts, or conveniences of the other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or shall operate or permit to be operated a phonograph, radio, television set, or other loudspeaker in such Unit Owner's Unit between midnight and the following 8:00 A.M., if the same shall disturb or annoy other occupants of the Building, and in no event shall any Unit Owner practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M. No construction, repair work, or other installation involving noise shall be conducted in any 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.

N. No bird, reptile, or animal shall be permitted, raised, bred, kept, or harbored in a Unit unless, in each instance, the same shall have been expressly permitted in writing by the Board or the Managing Agent. Any such consent, if given, shall be revocable at any time by the Board or the Managing Agent in their sole discretion. In no event shall any bird, reptile, or animal be permitted in any of the public portions of the Building unless carried or on leash. No pigeons or other birds or animals shall be fed from the window sills, or other public portions of the Building, or on the sidewalk or street adjacent to the Building.

O. No Unit Owner shall install any planting in the Common Areas without the prior written approval of the Board. It shall be the responsibility of the Unit Owner to maintain all plantings in the Units to prevent any damage to floors and walls. Unit Owners shall pay the cost of

any repairs rendered necessary, or damage caused, by such plantings.

P. In the event that any Unit shall be used for home occupation or professional purposes in conformance with the Declaration and the By-Laws, no patients, clients, or other invitees shall be permitted to wait in any lobby, public hallway, or vestibule.

Q. No window guards or other window decorations shall be used in or about any Unit, except such as shall have been approved in writing by the Board or the Managing Agent, which approval shall not be unreasonably withheld or delayed. In no event, however, shall any exterior glass surface of any windows at the Property be colored or painted.

R. No ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Board, which approval may be granted or refused in the sole discretion of the Board.

S. No radio or television aerial 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 window or other part of the Building, except such as are permitted pursuant to the terms of Declaration and/or By-Laws or shall have been approved in writing by the Board or the Managing Agent. Nothing shall be projected from any window of a Unit without similar approval.

T. All radio, television, or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements, or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction, and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television, or other electrical equipment.

U. Water-closets and other water apparatus in the Building shall not be used for any purpose other than those for which they were designed, and no sweepings, rubbish, rags or any other article shall be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.

V. Each Unit Owner shall keep his Unit and its appurtenant irrevocably restricted areas in a good state of preservation, condition, repair and cleanliness in accordance with the terms of the By-Laws.

W. The agents of the Board or the Managing Agent, and any contractor or workman authorized by the Board or the Managing Agent, may enter any room in a Unit at any reasonable hour of the day, on at least one day's prior notice to the Unit Owner, for the purpose of inspecting such Unit for the presence of any vermin, insects, or other pests and for the purpose of taking such measures as may be necessary to control or exterminate any such vermin, insects, or other pests; however, such entry, inspection and extermination shall be done in a reasonable manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.

X. The Board or the Managing Agent may retain a pass-key to each Unit. 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 Unit Owner is not personally present to open and permit an entry to his Unit at any time when any entry therein is necessary or permissible under these 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 Managing Agent or their agents (but, except in an emergency, only when specifically authorized by an officer of the Condominium or an officer of the Managing Agent) may forcibly enter such Unit without liability for damages or trespass by reason thereof (if, during such entry, reasonable care is given to such Unit Owner's property).

Y. Complaints regarding the service of the Condominium shall be made in writing to the Board or to the Managing Agent.

Upon receipt by the President of the Board of Managers or by the Managing Agent, of a signed written complaint alleging violation of any of the provisions of the By-Laws as herein established or hereafter established or adopted by the Board of Managers, the President of the Board, or in his absence, the Vice President together with a minimum of two (2) other members of the Board, without a formal meeting of the Board, shall make a determination as to the validity of the complaint. Any Unit Owner accused of a violation of the provisions of the By-Laws shall be entitled to receive written notice by registered mail of such accusation. The written notice shall contain the following statements:

i) A copy of the rule or regulation the Unit Owner has allegedly violated and a description of a manner in which the Unit Owner allegedly violated the rule or regulation.

ii) A time and place at which the Unit Owner shall be given the opportunity to present a defense before final action is taken.

If, after said notice and hearing it is determined that the complaint is valid and justified the Managing Agent shall be directed to send written notice to the violator. If the violation is not corrected or eliminated within a period of three (3) days from the date of receipt of such notice, another notice will be sent levying a fine of up to \$50.00 upon the violator; such fine is to be considered as an additional Common Charge to the account of the violator and shall be treated as such regarding late penalties and a lien upon the violator's Unit as elsewhere provided for in the Declaration of Condominium or By-Laws. If after imposition of a fine the violation is not corrected or eliminated, the Board of Managers may assess additional fines of up to \$50.00 each after serving written notice upon the violator as provided for above. If the violation results in loss of or damage to property classified as Common Area, the Board of Managers shall itself or direct the Managing Agent, if employed, to have said loss or damage repaired or replaced and the actual cost of said repair or replacement shall be assessed to the violator as an additional Common Charge.

The provisions set forth above shall not be applicable to the Sponsor. The Sponsor, its nominees and agents, shall have the right and privilege to maintain general and local sale offices in and about the Condominium, including any model Units located within the Building, and shall have

the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective purchasers, to utilize the Common Elements, and, without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to renovate and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The last two paragraphs of this Article may not be modified or amended without the written consent of the Sponsor so long as the Sponsor continues to own one or more unsold Units.

ARTICLE VII AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting; provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty six and two-thirds (66-2/3%) percent of the Unit Owners in number and common interest; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interest of holders of a mortgage encumbering a Unit or Units.

Any amendment, modification, addition, or deletion of or to any of the provisions of these By-Laws that, pursuant to the terms of the Declaration or these By-Laws, may be effected by the Sponsor or its designee without the consent of the Board or the Unit Owners shall be embodied in an instrument executed and recorded in the Register's office by the Sponsor or such designee as attorney-in-fact of both the Board and all Unit Owners, which power-of-attorney shall be deemed to be irrevocable and coupled with an interest. Attached to each such instrument shall be an original, executed Certification by the Sponsor or such designee, certifying that the amendment, modification, addition, or deletion set forth therein was effectuated by the Sponsor or such designee pursuant to the terms of the Declaration and/or these By-Laws. No such amendment, modification, addition, or deletion shall be effective unless and until such instrument shall be duly recorded in the Register's Office.

Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, including the Rules and Regulations, will be effective in any respect against the Sponsor or its designee, or the holder of any present or future mortgage, pledge, lien or security agreement covering any Unsold Unit unless and until the Sponsor, such designee, and/or such mortgagee(s) (as the case may be) consents thereto in writing.

ARTICLE VIII SELLING AND LEASING OF UNITS

Section I: Right of First Refusal

No Unit Owner, other than Sponsor or its designee, may sell or lease his Unit except by complying with the following provisions:

Any Unit Owner who receives a bona fide offer to (a) purchase his Unit together with (i) the undivided interest in the Common Elements appurtenant thereto, and (ii) the interest of such Unit Owner in any Unit theretofore acquired by the Board of Managers or its designee on behalf of all Unit Owners, or his interest in the proceeds of sale or resale of such Unit, if any, or (b) lease his Unit (such an offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer", the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called the "Offeree Unit Owner"), which he intends to accept, shall give notice by certified or registered mail to the Board of Managers of the receipt of such Outside Offer. Said notice shall state the name and address of the Outside Offeror, the terms of the proposed transaction and such other information as the Board of Managers may reasonably require. The giving of such notice to the Board of Managers shall constitute an offer by such Unit Owner to sell his Unit or Lease his Unit to the Board of Managers its designee, corporate or otherwise on behalf of all other Unit Owners, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a warranty and representation by the Offeree Unit Owner who has received such Outside Offer to the Board of Managers, on behalf of all Unit Owners, that such Unit Owner believes the Outside Offer to be bona fide in all respects. The Offeree Unit Owner shall submit in writing such further information with respect thereto as the Board of Managers may reasonably request. Not later than twenty (20) days after the later of the receipt of such notice or such further information as may have been requested by the Board of Managers, the Board of Managers may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by certified or registered mail, return receipt requested, to purchase such Unit or to lease such 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 Unit Owners on the same terms and conditions as contained in the Outside Offer and stated in the notice from the Offeree Unit Owner.

In the event the Board of Managers shall timely elect to purchase any such Unit or to Lease such Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, title shall close or lease shall be executed at the office of the attorneys for the Condominium, in accordance with the terms of the Outside Offer, within forty-five (45) day after the giving of notice by the Board of Managers of its election to accept such offer. If, pursuant to such Outside Offer to purchase such Unit, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Board of Managers may purchase the Unit and assume to take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit is to be sold, shall convey the same to the Board of Managers, or to its designee, on behalf of all other Unit Owners, by deed in the form required by Section 339 of the Real Property Law of the State of New York, with all tax and other

documents and/or documentary stamps affixed at the expense of such Unit Owner, who shall also pay all the taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interests, if any and the Common Charges shall be apportioned between the Offeree Unit owner and the Board of Managers, or its designee (corporate or otherwise), as of the closing date. In the event such Unit is to be leased, the Offeree Unit Owner shall execute and deliver to the Board of Managers, or to its designee (corporate or otherwise), a lease between the Offeree Unit Owner, as Landlord, and the Board of Managers, or its designee (corporate or otherwise), as Tenant, covering such Unit for the rental and terms contained in such Outside Offer.

In the event the Board of Managers or its designee shall fail to accept such offer within twenty (20) days after receipt of such notice, as aforesaid, or in the event the Board of Managers shall, prior thereto, waive such right of first refusal in accordance with Section 4 of this Article, the Offeree Unit Owner shall be free to accept the Outside Offer within a sixty (60) day period after (i) notice of refusal is sent or (ii) the expiration of the period in which the Board of Managers or its designee might have accepted such offer, as the case may be.

Any deed to an Outside Offeror shall provide that the acceptance thereof by the Grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time.

Any lease executed in connection with the acceptance of an Outside Offer shall be consistent with these By-Laws and shall provide that it may not be modified, amended, extended, or assigned without the prior written consent of the Board of Managers; the tenant shall not assign his interest in such Lease or sublet the demised premises or any part thereof without the prior written consent of the Board of Managers; and the Board of Managers shall have the power to terminate such lease and/or to bring summary proceedings in the event of a default by the tenant to (i) perform 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.

Except as hereinabove set forth, the form of any such lease executed by the Board of Managers, or an Outside Offeror, shall be the then current form of apartment lease recommended by the Real Estate Board of New York, Inc., and shall contain such other modifications as shall be approved in writing by the Board of Managers. Any lease executed by the Board of Managers as tenant, shall provide that the Board may enter into a sublease of the premises without the consent of the landlord.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Board of Managers and, if the Board of Managers shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Board of Managers to commence legal proceedings to evict the purported tenant (in the case of an unauthorized leasing) in the name of the said Unit Owner as the purported landlord. Said Unit Owner shall reimburse the Board of Managers for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

The foregoing restrictions of Section 1 of this Article shall not apply to Sponsor-owned Units or any mortgagee acquiring title to a Unit, in a foreclosure or otherwise. The Sponsor or its designee shall have the right to freely sell their Unit or to freely lease all or any part thereof without first having to offer the same for sale or lease to the Board of Managers.

Section 2: Consent of Unit Owners

The Board of Managers shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a majority of the Unit Owners present and voting in a meeting at which a quorum is present.

Section 3: Release by Board of Managers

The right of first refusal contained in Section 1 of this Article may be released or waived by the Board of Managers only in the manner provided in Section 4 of this Article. In the event the Board of Managers shall release or waive its right of first refusal as to any Unit, such Unit may be sold, conveyed or leased free and clear of the provisions of said Section 1 and all other restrictions, except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell or lease his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board of Managers. However, such unpaid Common Charges can be paid out of the proceeds from the sale of a Unit or by the grantee. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners, and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this section shall be voidable at the election of the Board of Managers.

Section 4: Certificate of Termination

A certificate executed and acknowledged by the Secretary of the Condominium, stating that the provisions of Section 1 of this Article have been met by a Unit Owner or stating that the Right of First Refusal contained therein has been duly released or waived by the Board of Managers, and that as a result thereof the rights of the Board of Managers thereunder shall terminate, shall be conclusive upon the Board of Managers and the Unit Owners in favor of all persons who rely upon such certificate in good faith. The Board of Managers shall furnish, without charge, such certificate upon request to any Unit owner with respect to whom the provisions of such section have, in fact, terminated.

Section 5: Financing of Purchase of Unit by Board of Managers

The purchase of a Unit by the Board of Managers or its designee, on behalf of all Unit Owners, may be made from funds deposited in the capital and or expense account of the Condominium. If the funds in such accounts are insufficient to effectuate any such purchase, the Board of Managers may levy an assessment against each Unit owner, in proportion to his interest in the Common Elements, as a Common Charge, and/or the Board of Managers may in its discretion

finance the acquisition of the Unit; provided, however, that no such financing may be secured by an encumbrance, or a hypothecation of any portion of the Property other than the Unit to be purchased.

Section 6: Exceptions

The provisions of Section 1 of this Article shall not apply with respect to any lease, sale or conveyance of a Unit by (a) the Unit Owner thereof to his spouse, adult children, parents, parents-in-law, adult siblings or any one or more of them, (b) the Sponsor or its designee, (c) the Board of Managers, or (d) any proper officer conducting the sale of the Unit in connection with the foreclosure of a mortgage or other lien covering such Unit, or delivering a deed in lieu of such foreclosure; provided, however, that the new Unit Owner shall be bound by, and his Unit subject to, the provisions of this Article.

Section 7: Waiver of Partition Rights

The Unit Owners waive all of their voting rights concerning partition respecting any Unit acquired by the Board of Managers in accordance with this Article.

Section 8: Mortgaging of Unit

No Unit Owner shall mortgage his Unit except by a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, mortgage company, life insurance company, union pension fund, agency of the United States Government or agency of the State of New York or a purchase money mortgage loan granted by the Seller or in participation with one of the above institutions.

Section 9: Gifts, etc.

Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass the same by intestacy, without restriction.

Section 10: Leasing Restrictions

(a) Except as noted in Section 10(c), every lease on every Unit in the Condominium is subject to the following rules and regulations, regardless of whether in the lease:

- (i) the lease must be in writing;
- (ii) the lease must be for the entire Unit;
- (iii) the lease must be for a minimum period of not less than 12 months.
- (iv) the use of the premises is subject to the Declaration, the By-Laws and the Rules and Regulations of the Condominium;

(v) within 30 days of occupancy by the tenant, the name and telephone number of the tenant, together with a clear and complete copy of the lease, must be furnished to the management company or to an officer or manager of the Condominium;

(vi) the Unit cannot be used as a motel or hotel or otherwise for transient tenants;

(vii) if any Unit Owner ('Landlord') or tenant is in violation of any of the provisions of the Declaration or By-Laws, or both, including Rules and Regulations, subject to the 30 day notice to cure as set forth below, the Board of Managers on behalf of the Condominium may bring an action in its own name or in the name of the Landlord, or both, to have the tenant evicted or to recover damages, or both. If the court finds that the tenant is or has violated any of the provisions of the Declaration, the By-Laws of the Condominium or the Rules and Regulations, the court may find the tenant guilty of forcible detainer despite the facts that the Landlord is not a party to the action and/or that the tenant is not otherwise in violation of tenant's lease or other rental agreements with the Landlord. For purposes of granting the forcible detainer against the tenant, the court may consider the Landlord a person in whose name a contract (the lease or rental agreement) was made for the benefit of another (the Condominium). The remedy provided by this subsection is not exclusive, and is in addition to any other remedy or remedies available to the Condominium. If permitted by present or future law, the Condominium may recover all of its cost, including court costs and reasonable attorneys' fees, and these costs shall be a continuing lien on the Unit that shall bind the Unit in the hands of the then Unit Owner and the Unit Owner's successors and assigns. The Condominium shall give the tenant and the Unit Owner written notice of the nature of the violation of the rules, and 30 days from the mailing of the notice in which to cure the violation before the Condominium may file for eviction.

(b) By becoming a tenant, each tenant agrees to be bound by the Declaration, the By-Laws and other Rules and Regulations of the Condominium, and recognizes and accepts the right and the power of the Condominium to evict the tenant for any violation by the tenant of the Declaration, the By-Laws and the other Rules and Regulations of the Condominium.

(c) Only subsections (iv) and (v) of Section 10(a) apply to a first mortgage lender who has title to the Unit through (a) foreclosure of its first mortgage on the Unit; or (b) a deed in lieu of foreclosure of its first mortgage on the Unit. Any subsequent purchaser from the first mortgage lender is subject to all of the provisions of this Article.

(d) The provisions of this Section do not apply to the Sponsor.

Section 11: Selling and Leasing of Commercial Unit

Anything herein to the contrary notwithstanding, a Commercial Unit Owner shall have the right, without the payment of any fees or charges to the Board, to sell or lease the Commercial Unit, or any portion thereof without the Board having any right of first refusal to sell or lease, or to

procure a third party to sell or lease, the same, and all sales and/or rental proceeds shall belong solely to the Commercial Unit Owner.

ARTICLE IX ARBITRATION

Section 1: Procedure

Any matter required or permitted to be determined by arbitration pursuant to the terms of the Condominium Documents shall be submitted for resolution by a single arbitrator in a proceeding held in New York City, New York in accordance with the then existing rules of the American Arbitration Association or any successor organization thereto. In the event that the American Arbitration Association shall not then be in existence and has no successor organization, any such arbitration shall be held in New York City, New York before one arbitrator appointed, upon the application of any party by the Real Estate Board of New York. Notice by the parties to the Arbitration shall be provided by certified mail, return receipt requested, or by recognized overnight courier and shall be deemed served upon delivery.

Section 2: Variation by Agreement

The parties to any dispute required or permitted to be resolved by arbitration pursuant to the terms of the Condominium Documents may, by written agreement, vary any of the terms of Section 1 hereof with respect to the arbitration of such dispute or may agree to resolve their dispute in any manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as "New York Simplified Procedure for Court Determination of Disputes".

Section 3: Binding Effect

The decision in any arbitration conducted pursuant to the terms of Section 1 and 2 hereof shall be binding upon all of the parties thereto and may be entered in any court of appropriate jurisdiction.

Section 4: Costs and Expenses

The fees costs and expenses of the arbitrator shall be borne by the losing party in the arbitration or, if the position of neither party to the dispute shall be substantially upheld by the arbitrator, such fees, costs and expenses shall be borne equally by the disputants. Each disputant shall also bear the fees and expenses of his counsel and expert witnesses.

All costs and expenses paid or incurred by the Condominium Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses shall constitute Common Expenses.

ARTICLE X INSURANCE AND INSURANCE TRUSTEE

Section 1: Insurance to be Carried by the Board

The Board of Managers shall obtain and maintain to the extent obtainable the following insurance: fire insurance with extended coverage water damage, vandalism and malicious mischief endorsements, insuring all of the Units in the Building in the Condominium and the bathrooms and kitchens fixtures initially installed therein by the Sponsor (but not including wall, ceiling or floor decorations or coverings furniture, furnishings, fixtures or other personal property supplied or installed by Unit Owners), together with all heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the replacement value of the Building (exclusive of the cost of excavations, footings and foundation). Each of such policies shall contain a New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine to be necessary. All such policies shall provide that adjustment of loss shall be made by the Board of Managers with the approval of the Insurance Trustee, and that the net proceeds thereof, if \$25,000 or less, shall be payable to the Board of Managers, and if more than \$25,000, shall be payable to the Insurance Trustee to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners' meeting.

All policies of physical damage insurance shall contain waivers of subrogation and of any reduction of pro rata liability of the insurer as a result of any insurance carried by Unit Owners or of the invalidity arising from any acts of the insureds or any Unit Owners, and shall provide that such policies may not be canceled or substantially modified without at least ten (10) days prior written notice to all of the insureds, including all mortgagees of Units. Duplicate originals of all policies of physical damage insurance and of all renewals thereof, together with proof of payment of premiums, shall be delivered to all mortgagees of Units at least ten (10) days prior to expiration of the then current policies. The Board of Managers shall review the limits of each insurance policy, as well as the amount of any deductible thereunder, prior to obtaining a renewal of any policy of insurance. In the event a Unit Owner shall dispute the amount of coverage purchased by the Board

of Managers, the Board shall duly consider an appraisal obtained by and at the expense of the Unit Owner from a fire insurance company or otherwise of the full replacement value of the Building, including all of the Common Elements appurtenant thereto, for the purpose of determining the amount of casualty insurance to be effected pursuant to this Section. The decision of the Board thereon shall be deemed conclusive for all purposes.

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, public liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent and, except arising out of occurrences within his own Unit, each Unit Owner. Such public liability coverage shall also cover cross liability claims of one insured against another.

Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided that such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any such additional insurance carried by any Unit Owner.

Section 2: The Insurance Trustee

The Insurance Trustee shall be a bank or trust company located in the State of New York and designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns, fails to qualify, or is replaced by the Board of Managers, the Board of Managers shall designate a new Insurance Trustee which shall be a bank or trust company located in the State of New York.

Section 3: Restoration or Reconstruction After Fire or Other Casualty

In the event of damage to or destruction of the Building as a result of fire or other casualty (unless (i) seventy-five (75%) percent or more of the Units are destroyed or substantially damaged, and (ii) seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), the Board of Managers shall arrange for the prompt repair and restoration of the Building (including any kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance, but not including any wall, ceiling or door decorations or coverings or other furnishings, fixtures or equipment installed by Unit Owners in the Units), and the Board of Managers or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

If seventy-five (75%) percent or more of the Units are destroyed or substantially damaged and seventy-five (75%) percent or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration, the Property shall be subject to an action for partition at the suit of any Unit Owner or lienor, as if owned in common, in which event the net proceeds of sale, together with the net proceeds of insurance policies (or if there shall have been a repair or restoration pursuant to the first paragraph of this Section, and the amount of insurance proceeds shall have exceeded the cost of such repair or restoration) then the excess of such insurance proceeds shall be divided by the Board of Managers or the Insurance Trustee, as the case may be, among all the Unit Owners in proportion to their respective Common Interests, after paying out of the share of each Unit Owner the amount of any unpaid liens on his Unit, in the order of the priority of such liens.

In the event that the damage resulting from a casualty loss shall (i) render one or more Units wholly or partially unusable for the purposes permitted herein and in the Declaration or (ii) destroy the means of access to one or more Units, the installments of Common Charges otherwise payable by the Owner of any Unit so affected thereby shall proportionately abate until such Unit shall again be rendered usable for such purposes and/or until the means of access thereto shall be restored, as the case may be. Notwithstanding the foregoing, however, if such casualty loss shall be caused by the act, the omission to act, or the negligence of the Owner of a Unit so affected thereby, or by a tenant or other occupant of such Unit, such installments of Common Charges shall abate only to the extent of any proceeds of rent insurance actually collected by the Condominium Board with respect to such Unit.

ARTICLE XI CONDEMNATION

In the event all or part of the common elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$25,000 and to the Board of Managers if the award is \$25,000 or less, to be distributed in accordance with Section 3 of Article IX but in the following amounts:

(a) so much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to the respective Common Interests appurtenant to the Units owned by such Unit Owners.

(b) so much of the award as is applicable to irrevocably restricted Common Elements, to the Unit Owner having general use of such Common Element.

In such eminent domain or condemnation proceeding the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

If a portion of irrevocably restricted Common Elements is taken in condemnation or eminent domain proceedings as aforesaid, the Common Interest appurtenant to the Unit thereby affected shall be adjusted accordingly and reflected in an Amendment to the Declaration duly executed and acknowledged by the Condominium Board and the Unit Owners together with the holders of record of all liens.

ARTICLE XII RIGHTS OF UNIT MORTGAGEES AND GUARANTORS

A. Any action to terminate the legal status of the project after substantial destruction or condemnation occurs or for any other reason must be agreed to by mortgagees that represent at least fifty-one percent (51%) of the votes of the unit estates that are subject to mortgages.

B. Unpaid Dues – Any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six months of the unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the unit by the mortgagee. If the condominium association's lien priority includes costs of collecting unpaid dues, the lender will be liable for any fees or costs related to the collection of unpaid dues."

ARTICLE XIII MORTGAGES

A. Notice to Board of Managers: A Unit Owner who mortgages his Unit shall notify the Board of Managers of the name and address of his mortgagee and shall file a confirmed copy of the note and mortgage with the Board of Managers; the Board of Managers shall maintain such information in a book entitled "Mortgages of Units".

B. Notice of Unpaid Common Charges: The Board of Managers, when so requested in writing by a mortgage of a Unit, shall promptly notify any mortgagee of a Unit, of such Unit Owner's default, including non-payment of Common Charges, in the obligations of such Unit Owner under the Declaration, By-Laws, Rules and regulations, as the same are amended from time to time, or in any order of the Board of Managers issued with respect thereto.

C. Notice of Default: The Board of Managers, when giving notice to a Unit Owner of a default in paying Common Charges or other default, shall send a copy of such notice to each holder of a mortgage covering such Unit whose name and address has heretofore been furnished to the Board of Managers.

D. Examination of Books: Each Unit Owner and each mortgagee of a Unit shall be permitted to examine the books of account of the Condominium at reasonable times, on business days.

E. Any mortgagee shall be entitled to timely written notice of:

1. Any condemnation of casualty loss that affects either a material portion of the project or the unit security its mortgage.
2. Any sixty (60) day delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage.
3. A lapse, cancellation, or material modification of any insurance policy Maintained by the Homeowner's Association.
4. Any proposed action that requires the consent of a specified percentage of mortgages.

F. Notwithstanding anything to this contrary set forth in any portion of these By-Laws, any first mortgages who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of such unit's unpaid regularly scheduled budgeted dues or common charges accrued before acquisition of title to the unit by the mortgagee, together with any fees or costs related to the collection of such unpaid dues.

G. Notwithstanding anything to the contrary set forth elsewhere in these By-Laws, no amendment, modification, addition or deletion which shall adversely affect the lien of any mortgage may be made without the consent of the mortgagee.

H. When a mortgagee fails to submit a response to any written notification made pursuant to these By-Laws within sixty (60) days after such notice is delivered by certified or registered mail, return receipt requested, said mortgages will be conclusively presumed to have consented to the action set forth in said notice.

**CERTIFICATION OF SPONSOR AND SPONSOR'S PRINCIPALS PURSUANT TO SECTION
20 OF THE REGULATIONS ISSUES PURSUANT TO GENERAL BUSINESS LAW ARTICLE
23-A, AS AMENDED**

RE: 781 EAST 9TH STREET, BROOKLYN, NEW YORK

The undersigned, being the sponsor and principals of the Sponsor of the Offering Plan to convert the above captioned property to condominium ownership, jointly and severally certify as follows:

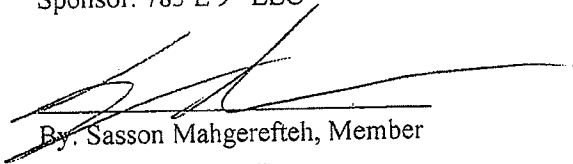
We understand that we have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20, and such other laws and regulations as may be applicable;

We have read the entire Offering Plan. We have investigated the facts set forth in the Offering Plan and the underlying facts. We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and that documents submitted hereafter by us which amend or supplement the Offering Plan will:

1. Set forth the detailed terms of the transaction and be complete, current and accurate;
2. Afford potential purchasers, investors, and participants an adequate basis on which to found their judgment;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, suppression, false pretense, or fictitious or pretend purchase or sale;
6. Not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. Not contain any representation or statement which is false where we:
 - a) knew the truth;
 - b) with reasonable effort could have known the truth;
 - c) made no reasonable effort to ascertain the truth; or
 - d) did not have knowledge concerning the representation or statement made.

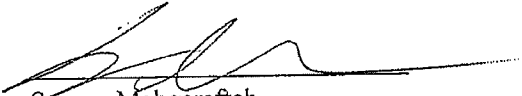
This certification is made under the penalty of perjury for the benefit of all person to whom this offering is made. We understand that violations are subject to the Civil and Criminal penalties of the General Business Law and the Penal Law.

Sponsor: 783 E 9th LLC


By: Sasson Mahgerefteh, Member

Principals of Sponsor:


Menashe Mahgerefteh

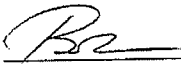

Sasson Mahgerefteh

Affirmed before me this 27 day of April, 2017


Notary Public

BORIS SAKS
NOTARY PUBLIC, State of New York
No. 02SA5086643
Qualified in Kings County
Commission Expires 10/20/2017

Affirmed before me this 27 day of April, 2017


Notary Public

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S I O N A S S O C N Y L L C
245-02 JERICO TURNPIKE, FLORAL PARK, NEW YORK 11001
TEL. 516.327.0111 • FAX. 516.327.0550
EMAIL: INFO@SIONASSOCIATES.COM

CERTIFICATION BY SPONSOR'S ENGINEER
PURSUANT TO PART 20.4 OF THE REGULATIONS
ISSUED PURSUANT TO GENERAL BUSINESS LAW,
ARTICLE 23-A, AS AMENDED

Real Estate Financing Bureau
120 Broadway, 23rd Floor
New York, New York 10271
Attention: Real Estate Financing Bureau

Re: 781 East 9th Street
Brooklyn, New York

Dear Sir,

The sponsors of the Offering Plan to convert the captioned property to condominium ownership retained our firm to prepare a report describing the construction of the property (hereinafter "the Report"). I visually inspected existing portions of the property, if any, on May 24th, 2015.

I examined the building plans and specifications, prepared by Sion Assoc NY LLC, 245-02 Jericho Tpk, Floral Park NY 11001; dated, October 27th, 2015 and prepared the original Report dated, June 8th, 2015.

I am a licensed Engineer, registered 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 20, 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 with due diligence in order to form a basis for this certification. This certification is made for the benefit of all persons to whom this offer is made.

I certify that the Report:

- (i) Sets forth in narrative form the description and physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I have examined.

- (ii) In my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgement concerning the description and physical condition of the property as it will exist upon completion of construction, provided that construction is in accord with the plans and specifications that I have examined.
- (iii) Does not omit any material fact;
- (iv) Does not contain any untrue statement of a material fact;
- (v) Does not contain any fraud, deception, concealment, or suppression;
- (vi) Does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances.
- (vii) Does not contain any statement or representation 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 statements made.

I further certify that I am not owned or controlled by, and have no beneficial interest, in the Sponsors, and that my compensation for preparing the Report is not contingent on the conversion of the property to condominium ownership, 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.

Sworn to before me this 13th
of February, 2017
Sabeen Khan
Notary Public

Sion Hourizadeh
Sion Hourizadeh P.E





(917)482-8332

www.industrypropertymanagement.com

CERTIFICATION BY THE SPONSOR'S EXPERT ON ADEQUACY OF BUDGET FOR RESIDENTIAL
UNITS PURSANT TO SECTION 20.4 OF THE REGULATIONS ISSUED PURSANT TO ARTICLE 2-A OF
THE GENERAL BUSINESS LAW AS AMENDED.

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

Re: The Highline Condominium
781 East 9th Street
Brooklyn, NY

Dear Sir/Madam

The sponsor of the condominium offering plan for the captioned property retained me to review Schedule B and B-1 containing projections of income and expenses for the first year of condominium operation. My experience in this field includes being licensed real estate broker and salesman for over twelve (12) years. I am familiar with prices, practices, and procedures in the area of the condominium and have managed more than a dozen condominium properties in the last two decade.

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 20 insofar as they are applicable to schedule B and B-1.

I have reviewed the Schedules B and B-1 and investigated the facts set forth in the schedule and, the facts underlying them with due diligence in order to form a basis for this certification. I also have relied on my experience in managing residential buildings.

I certify that the projection in schedule B and B-1 appear reasonable and adequate under existing circumstances and the projected income appears to be sufficient to meet the anticipated operating expenses to the projected first year of condominium operation

I certify that the Schedules

- (i) Set forth in detail the projected income and expenses for the first year of condominium operation.

(ii) Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operations

(iii) Do not omit any material fact:

(iv) Do not contain any untrue statement of a material fact.

(v) Do not contain any fraud, deception, concealment, or suppression

(vi) Do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances

(vii) Do not contain any representation or statement which is false where 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.

I further certify that I am not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the general business Law and Penal code.

By: Gelena Gerts

Subscribed and sworn to before me
this 20th day of April 2017.

Flora Tsentner Quinn
Notary Public

FLORA TSENTNER QUINN
Notary Public, State of New York
No. 01QU6074896
Qualified in Kings County
Commission Expires May 27, 2018