
CONDOMINIUM OFFERING PLAN
For
THE 539 4TH STREET CONDOMINIUM
539 4TH STREET
BROOKLYN, NEW YORK 11215
KINGS COUNTY

8 Residential Units	\$17,000,000.00
Total Offering Price	\$17,000,000.00

SPONSOR AND SELLING AGENT:
4ST PARK SLOPE DEVELOPMENT LLC
29 W 17th Street, 2nd Floor
New York, NY 10011

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 THE PLAN IS CONSUMMATED 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)

THE 539 4TH STREET CONDOMINIUM

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SPECIAL RISKS

1. Because Sponsor is retaining the unconditional right to rent, after consummation, rather than sell units, 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. Because Sponsor is not limiting the conditions under which it will rent rather than sell Units, there is no commitment to sell more units than the fifteen percent (15%), two (2) residential Units, necessary to declare the Plan effective. Purchasers for their own occupancy may never gain control of the board of managers under the terms of this Plan. See "Introduction".

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

3. This is a gut renovation project and is being built pursuant to a renovation application #340370690 with the New York City Department of Buildings. The site will consist of one (1) Building containing 4 stories with a cellar. Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers, and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is possible that during the first year of Condominium Operation, construction workers and related personnel will be at the Property from time to time completing construction of the Building, making adjustments and corrections and performing various tasks related to the completion of construction. During this period, various building systems, including but not limited to water and gas supply, air conditioning, heating and electricity, cooling, ventilation, the elevator, intercom systems, and/or telephone and cable systems, may need to be shut down temporarily. Sponsor and its designees will have the right to and may utilize building systems and may install and retain scaffolding and other equipment on and in the Building to complete the construction. Certain services, such as telecommunications, and other similar services may be provided by outside suppliers and delays in providing these services will not be the responsibility of Sponsor. Such suppliers may not provide these services until all or a portion of the Units are occupied. In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially affects, or creates a requirement for the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Building, then upon the written request of Sponsor or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws. See Section XVI "Rights and Obligations of the Unit Owners and the Board of Managers" and see the By-Laws in Part II.

4. This Building will not have a new certificate of occupancy as per the NYC Housing Maintenance Code Section 27-2089 requirements for re-occupancy of vacant multiple dwellings. This provision of the code requires that any multiple dwelling if vacant for 60 days or more must obtain a new Certificate of Occupancy prior to being reoccupied, except in certain narrow conditions that do not apply to this Building. It is therefore a Special Risk that no new certificate of occupancy will be obtained. The Department of Buildings may at any time require that the Building be vacated until the certificate of occupancy is filed for and properly obtained. See Section II "Description of Property and Improvements" and See Part II "Description of Property and Specifications".

5. NYC Building Code 901.9.4 requires the installation of a sprinkler system if the cost of construction in a renovation such as this Building exceeds certain limits. No calculation was done to show that a new sprinkler system was or was not required. However because of the scope of work for this Building, it is extremely likely that the limit was exceeded and sprinklers are required. Because of the lack of a sprinkler system, the fire safety of the Building is not up to current standards, which standards have been in effect since 1999. The Department of Buildings may at any time determine that a sprinkler system is in fact required. The cost of installing the system could be considerable, and will be borne by the purchasers of the Units. Installation will also result in inconvenience from construction activity and dust. See Part II "Description of Property and Specifications."

6. The following appliances will be included with the sale of the Units, refrigerator, stove, and microwave. See Part II "Description of Property and Specifications".

7. The first year of Condominium operation is estimated to be January 1, 2018 through December 31, 2018. Purchasers should note that even if the first closing occurs on or before January 1, 2018 (or such other date projected as the date of commencement of the operation at the time the purchase agreement was entered into) or within the twelve-month period thereafter, the closing of subsequent Units may be substantially delayed beyond such dates. In such case, provided that Sponsor 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. See Section II, "Description of Property and Improvements".

8. No parking spaces are being created in connection with this project. There is limited alternate side of the street parking near the Condominium. Guest parking is not available. See Section II, "Description of Property and Improvements".

9. The Building is within the NYC Landmarks Preservation Commission Historic District Park Slope, Brooklyn. The Landmarks Preservation commission has approved this project. Applications for the alteration work have been filed and were granted a permit/NYC LPC Docket #183102. The Landmarks Preservation Commission has restricted exterior changes to the Building. See Section II, "Description of Property and Improvements".

10. The Units will be subject to full taxation and will receive no tax abatement benefits and will be required to pay the full amount of real estate taxes assessed against the Units. Sponsor

can only estimate, based on reasonable, professional third party expert assumptions, what the real estate taxes for each Unit will be.

SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. PURCHASERS ARE ADVISED THAT THE NEW YORK CITY TAXING AUTHORITIES HAVE IMPLEMENTED SIGNIFICANT INCREASES IN THE TENTATIVE ASSESSED VALUATIONS FOR NEW CONSTRUCTION CONDOMINIUMS WHICH MAY NOT APPEAR CONSISTENT WITH THEIR VALUATIONS IN PRIOR YEARS. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS. SPONSOR ALSO MAKES NO REPRESENTATIONS AS TO THE ASSESSED VALUE OF THE CONDOMINIUM AFTER CONSTRUCTION, THE TAX RATE AFTER THE ABATEMENT/EXEMPTION PERIOD EXPIRES OR THE TAX RATE THAT WILL BE USED BY THE CITY OF NEW YORK IF THE ABATEMENT/EXEMPTION IS NOT GRANTED. See Section IV, Schedule A, "Offering Prices and Related Information." Also, please see Section XVII, "Real Estate Taxes", and the tax opinion letter from Metropolitan Realty Exemptions, Inc. for a further description and details of the estimated real estate taxes.

11. The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements as set forth in Schedule A. Upon determination of individual tax lots and individual Residential Unit assessments, the New York City tax authorities may allocate taxes between the Residential Units in proportion to each Residential Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, Residential Units having the same or similar percentage interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A. See Section IV, Schedule A, "Offering Prices and Related Information".

12. Residential Unit plans depicting layouts of Residential Units appear in Part II of the Plan. Purchasers should note that the square footage of each Unit, as reflected in Schedule A and Schedule B and the Floor Plans set forth in Part II of the Plan, is approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. The square footage of each Unit is not based upon measurements from interior surfaces of interior walls and the actual area comprising the Unit is less than listed in the Schedule A. Because dimensions listed are based on measurements from exterior walls, and may include columns, interior walls, mechanical pipe shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be enclosed as freestanding columns, thereby reducing the available floor area, they do not accurately represent the interior space in the unit and exceed the actual useable floor area. See Section IV, "Offering Prices and Related Information" and See Part II, "Floor Plans".

13. Garden areas or patios at the rear yard are appurtenant to certain Units, as described in Schedule A and the Floor Plans set forth in Part II of the Plan, will be Limited Common Elements available for the exclusive use of the Unit Owners of such Units. A Unit Owner who has such a space appurtenant to his Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use, and shall be responsible for all normal maintenance,

repairs and replacements thereto. Unit Owners are expressly prohibited from installing paving stones or other materials over the existing surfaces of the space without the prior written consent from the Condominium Board. Such installation must be in accordance with Law and is subject to the provisions of the Declaration and By-Laws regarding alterations. However, the costs and expenses of any structural repairs or repairs or replacements caused by the need for such structural repairs to any space (unless due to damage caused by its Unit Owner), shall be charged to all Unit Owners as a Common Expense. See Section IV, "Offering Prices and Related Information" and See Part II, "Floor Plans".

14. All determinations with respect to the continuance of services provided to the Building, if initially made available, will be made by the Condominium Board, which will be controlled by Sponsor during the Sponsor Control Period as described in the Section of the Plan entitled "Control by Sponsor." The Sponsor must and will provide the same level of services as disclosed in Schedule B. The Sponsor will manage the Building until such time that control of the Board is turned over to the Unit Owners. In the event a management agent is hired or if the Board decides to hire a management agent the Common Charges will need to be increased, as the cost for a management agent is approximately \$12,000 per year. Upon the closing of 6 of the 8 Units, pursuant to the Administrative Code of the City of New York, §27-2053, a part-time janitor/superintendent will be hired as the Administrative Code only requires a resident janitor if there are 9 or more units. Sponsor may also hire a part-time doorman. In the event Sponsor does not sell 6 Units a janitor may never be hired by Sponsor. Once control of the Board is turned over to Unit Owners, the Board may decide not to retain the janitor, and if a management agent and/or janitor is terminated or are not hired, the Unit Owners will need to take care of the routine maintenance of the Condominium, including but not limited to, cleaning, garbage removal, snow removal, Common Area maintenance, collection of Common Charges, and the payment of service providers. The estimated cost of a part-time janitor is \$2,750.00. Also, less than \$5,000 has been allocated in the budget for legal fees. Please refer to Section V, "Schedule B" and the footnotes thereto.

Neither Sponsor, the Selling Agent if any, the Managing Agent if any, nor the Condominium Board will in any event be liable for the interruption, discontinuance or quality of any of the services provided to the Building, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, including Building personnel or otherwise. Purchasers are advised that neither the Plan nor the Declaration or By-Laws provide Unit Owners with a means of redress with respect to the foregoing. The following items are not included in the Budget and may be obtained at an additional cost, rent insurance, water damage, and excess liability insurance. Additionally, the current insurance estimate does not cover boiler or machinery insurance. Please refer to the Budget in Part I of the Plan and the "Description of Property" set forth in its entirety in Part II of the Plan for further details regarding services and facilities at the Property.

15. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing and loans. Such restrictions include requiring that a certain percentage (such as 50% or more) of the apartments in a building or group of buildings be sold before the lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings

where the sponsor has not sold a substantial percentage of the units in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor, other than the original sponsor has an ownership interest of 10% or more. It may also be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See Section IX, "Procedure to Purchase".

16. Furthermore, even after a building undergoes conversion, lenders may still impose minimum sales requirements before granting a loan. It then may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to such minimum sales requirements or to refinance an existing mortgage. See Section XVI, "Rights and Obligations of Unit Owners and the Board of Managers".

17. Cooling towers or any other mechanical equipment necessary for the maintenance and operation of the Building and the Units may be located on the roof. The Condominium Board will be responsible for ensuring that the mechanical equipment is operated in accordance with Law, including requirements governing acceptable levels of noise and odor emissions. Sponsor is not responsible for nor can it make any guarantees regarding the level or noise or odors resulting from the operation of the Building or the Units. In addition, Sponsor shall have, and the Units and Common Elements shall be subject to, an easement to use the roof of the Building other than those portions of the roof which comprise Limited Common Element Terraces. That portion of the roof constituting a Common Element roof (other than a Limited Common Element) may be used by Sponsor for any lawful purposes including, but not limited to, the purposes of (a) installing, utilizing, operating, maintaining, repairing, altering, rebuilding, restoring and replacing satellite dishes and other communication equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto, (b) maintaining any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation and Maintenance thereof provided that access to any Unit or Common Element in furtherance of such easements shall be exercised in a manner as will not unreasonably interfere with the normal conduct of business of the tenants and occupants of the Units or with the use of the Units for their permitted purposes. The aforementioned easements may be used by Sponsor for its own account or the account of any assignee licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Sponsor for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof or facade of the Building or elsewhere on the Common Elements by Sponsor or its assignee or licensee shall be the exclusive property of Sponsor, its assignee or licensee and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Please see Section XVI of the Plan entitled "Rights and Obligations of Unit Owners and the Board of Managers".

18. A Purchaser may obtain financing from any lending institution or other source, but the Purchaser's obligation to purchase a Unit pursuant to a Purchase Agreement shall not be contingent on the Purchaser obtaining such financing, so that a Purchaser will remain obligated under the Purchase Agreement whether or not such Purchaser has been able to obtain financing. Sponsor does not make any representations whatsoever as to the terms or availability of any mortgage or other financing. Prospective Purchasers should be aware that even if a loan

commitment is obtained, its term may be limited and it could expire before the closing date, and a Purchaser would have to close without financing or risk losing such Purchaser's deposit. Furthermore, Sponsor shall have no liability as a result of any scheduling, rescheduling or adjournment of closing beyond the expiration of a loan commitment. The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective Purchaser who executed a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. See Section IX, "Procedure to Purchase".

19. At the time a Purchase Agreement is executed, a Purchaser is required to make a down payment in an amount equal to ten (10%) percent of the purchase price. In the event a Purchaser defaults under the Purchase Agreement, time being of the essence with regard to the obligations of the Purchaser thereunder, and does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default, Sponsor may, at its option, either (i) cancel such Purchase Agreement and retain, as liquidated damages, the down payment made by the Purchaser, together with interest earned thereon, if any, or (ii) bring an action against such Purchaser for specific performance, in which event Purchaser could be compelled to complete the transaction. Additionally, if a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date and Sponsor elects not to cancel the Purchaser's Purchase Agreement as a result of the same, (a) the closing apportionments to be made at the Closing will be made as of midnight of the day preceding the originally scheduled Closing Date, and (b) the Purchaser will be required to pay to Sponsor interest at the rate of fourteen (14%) percent per annum (or such lower rate per annum which is the legal limit, if 14% per annum exceeds the legal limit) on the total purchase price, computed from the original Closing Date until the actual date in which the Purchaser closes title to the Unit. Purchasers are further advised that if a Purchaser makes a Down Payment in excess of \$250,000 for the purchase of a unit, such Down Payment placed in the escrow account will not be federally insured in excess of \$250,000. Additionally, if a Purchaser has an account(s) at Signature Bank, NA, the institution where all down payments will be deposited, Purchaser's account(s) will factor into the \$250,000 FDIC limit. Funds drawn on out-of-state or foreign banks will not be accepted in payment of the purchase for a Unit unless otherwise agreed by Sponsor. The Purchase Agreement also provides that except as prohibited by law, the parties waive trial by jury in any litigation arising out of, or connected with, or relating to, the plan this agreement or the relationship created hereby. See Section IX, "Procedure to Purchase" for further discussion of the foregoing.

20. If after a Purchase Agreement is fully executed by both Parties, any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Residential Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Residential Unit and shall be payable by Purchaser to Seller at Closing, provided however, that if the amount of such additional cost exceeds \$1,000 then Purchaser may cancel the Purchase Agreement and receive a full refund of all down payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability or obligation to the other in connection with the Purchase Agreement or transaction. However, such right to cancel the Purchase Agreement shall automatically terminate if Purchaser

fails to give written notice of cancellation to Seller within ten (10) days after Seller informs Purchaser of the amount of the additional expense. See Section IX, "Procedure to Purchase" for further discussion of the foregoing.

21. All funds received by the Sponsor for upgrades or extras must initially be placed in the escrow account. Such funds may be released from the escrow account by the escrow agent as long as the Sponsor uses the funds for such upgrades or extras. As a result, in the event the purchaser is entitled to rescission, the purchaser will not receive a refund of any funds used for upgrades or extras. See Section XI, "Terms of Sale".

22. Each Purchaser shall reimburse part of the Sponsor's cost for engineering, architect, legal fees and other expenses to create the Condominium, in the amount of \$5,000.00. Therefore, each Purchaser shall be obligated to pay \$5,000.00 at closing for these charges in addition to the purchase price and other adjustments. See Section XII, "Closing Costs and Adjustments".

23. At closing, the Purchaser must pay the Sponsor's attorney fee in the amount of \$2,500.00 to reimburse Sponsor for a portion of its legal fees incurred in connection with the closing of title of the Purchaser's unit. If Purchaser obtains financing and the lender is unwilling to close at the office of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice,) the closing may be held elsewhere in New York City provided that an additional travel fee is paid to Sponsor's counsel equal to: (1) \$500 if the closing is held elsewhere in Manhattan, and (2) \$750 if the closing is held outside Manhattan. In addition: (a) if the closing is adjourned through no fault of the Sponsor, the Purchaser will be required to pay to Sponsor's Counsel and additional fee of \$250 for each adjournment to defray the cost of scheduling, preparing for, and coordinating the new closing; (b) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion, or substitution of names on the Purchase Agreement, Purchaser shall pay Sponsor's Counsel a fee of \$500, payable in advance, for preparation of an assignment agreement; (c) if Purchaser obtains mortgage financing, Purchaser shall pay an additional fee of \$500 to Sponsor's counsel to defray the additional cost associated therewith. Purchaser may be required to pay more than one fee with respect to a single unit pursuant to the preceding provisions of the paragraph. At Sponsor's option (in its sole discretion,) any one or more of the foregoing fees to be paid to Sponsor's Counsel shall be paid by Purchaser prior to closing upon notice to Purchaser.

Additionally, although typically seller's expenses, Purchasers must pay the New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Residential Unit, is 1% of the Purchase Price of a Unit if such Purchase Price is \$500,000 or less and 1.425% of the Purchase Price if such Purchase Price is over \$500,000; and the New York State Real Estate Transfer Tax ("NYS Tax"), presently \$2 for each \$500 (or part thereof) of the Purchase Price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes which are the primary obligation of the seller but are paid by the Purchaser will be included in the consideration subject to tax. If the purchase price of a Unit is \$1,000,000.00 or more, the Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," currently one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser. Also, Purchaser shall be responsible for any title company fees, E-tax form, RPT filing fees, and/or ACRIS fees, associated with the preparation and/or recording of the transfer tax documents.

Furthermore if Purchaser obtains a mortgage loan for the purchase of the Unit (the "Purchase Money Mortgage"), the Purchaser will pay to Sponsor a sum equal to the partial mortgage tax credit to which Purchaser may be entitled pursuant to Section 339-ee(2) of the Condominium Act, which sum will be paid as a reimbursement for the mortgage recording tax previously paid by Sponsor in connection with any existing mortgage(s). Alternatively, Sponsor may require, in its sole discretion that a Purchaser who is financing the purchase of said Unit with a Purchase Money Mortgage, must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, that portion of the Purchase Money Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage. See Section XII, "Closing Costs and Adjustments".

24. The Sponsor has chosen Infinity Land Services LLC ("Infinity"), 1974 East 27th Street, Brooklyn, NY 11210, (718) 338-4200, to insure all titles and mortgages at closing. There is no restriction on which title company purchasers may choose to insure title. However, Purchasers must notify Sponsor's attorney in writing if another title company will be used to insure title. Furthermore, a title company chosen by Purchaser, other than Infinity, must agree to submit all real estate tax forms, deeds, powers of attorney, satisfactions or partial releases of mortgage, and/or other instruments that must be recorded in connection with the conveyance of a deed to a Unit Owner and all transfer taxes due in connection therewith and will be obligated to indemnify Sponsor, or if such title company refuses then Purchaser's attorney will be required to indemnify Sponsor, for such title company's failure to file such forms and/or failure to remit the required transfer taxes in connection therewith in a timely manner. See Section XII, "Closing Costs and Adjustments".

25. New York City Local Law 7 of 2004 requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of units in residential condominiums. Sponsor intends to provide carbon monoxide detectors in each Unit in accordance with New York City Local Law 7 of 2004. Each Unit Owner will be responsible to keep and maintain the carbon monoxide detectors in good repair and to replace any carbon monoxide detectors which were stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Unit Owners will comply with the foregoing obligations. For further details see Part I of the Plan under Section XIII, "Rights and Obligations of Sponsor".

26. No bond or other security has been posted by Sponsor to secure its obligation to pay Common Charges, special assessments and real estate taxes with respect to the Unsold Units. Sponsor represents that it has the financial resources to meet such obligations with respect to Unsold Units. See Section XIII, "Rights and Obligations of the Sponsor".

27. The New York State Legislature adopted Article 36-B of the General Business Law, "The Housing Merchant Implied Warranty Law", which pertains to warranties on the sale of certain new homes. This law is applicable to all purchase agreements entered into on or after March 1, 1989, for the units offered for sale under this plan. Pursuant to the terms of this law, the sponsor is giving a limited warranty to purchasers. The Statute provides the Units will be free

from all defects resulting from a failure to have been constructed in a skillful manner for one year from and after the warranty date. For two years from and after the warranty date, the Purchaser is assured that the plumbing, electrical, heating, cooling and ventilation system in the home are free of defects resulting from a failure of the builder to install such systems in a skillful manner. Additionally, the Unit must be free from all material defects for six years from and after the warranty date. These warranties do not extend to work done on the Unit that was defective, or non-defective supplies used in the building process, or patent defects discoverable upon reasonable inspection. Regardless of any limitation in the warranty, or this Plan, Sponsor's obligation is to construct the Condominium in accordance with all applicable codes, filed plans and specifications. See Section XIII, "Rights and Obligations of Sponsor" and "Description of Property & Specifications" in Part II of the Plan.

28. Sponsor and its designees may exercise veto power over some actions of the Condominium Board. Until Sponsor and its designees have conveyed title to all of the Units offered for sale herein, the Condominium Board may not take any of the following actions without Sponsor's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan, or (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium. See Section XIV, "Control by the Sponsor."

29. The initial Sponsor voting control period is until 6 of the 8 (75%) Residential Units offered for sale have been sold, or two (2) years from the first closing, whichever is sooner. Sponsor or Declarant shall hold a majority of seats on the Condominium Board until 6 of the 8 Units offered for sale have been sold. During that time the Sponsor will control the amount of Common Charges and the services and repairs to be provided to the Condominium. Any vacancy created by removal of a Board member designated by Sponsor, or by any other cause which results in a Board member designated by Sponsor ceasing to be a member of the Condominium Board, shall be filled by a person designated by Sponsor. In addition, for so long as Sponsor owns at least one Unsold Unit Sponsor shall have the right to designate at least one member of the Condominium Board. For so long as Sponsor owns at least two of the Unsold Units the number of members of the Condominium Board may not be increased without the consent of Sponsor. After the initial Sponsor Control period, all members of the board of managers must be owner occupants. Sponsor shall turn over control of the Board, after the sixth Unit Closing, upon at least 30 day's written notice to the then current Unit owners. See Section XV, "Board of Managers" and the "By-Laws".

30. It is the responsibility of each Unit owner to notify the Managing Agent, or the Sponsor in the event there is no Managing Agent in place at the time of closing, in writing, when

a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Except as may otherwise be provided by applicable Law, it is the responsibility of each Unit owner to maintain in proper repair (and not remove), the window “stops”, if any, in all windows of the Unit which have been installed in lieu of window guards. Sponsor makes no representations whether Unit owners will comply with the foregoing obligations. See Section XVI, “Rights and Obligations of Unit Owners and the Board of Managers”.

31. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition, in the Condominium Board’s sole discretion) may be kept in a Unit without the consent of the Condominium Board or the Managing Agent. In no event will a Unit Owner be entitled to maintain more than two (2) pets in any Unit without the consent of the Condominium Board. Each Unit Owner who keeps any type of pet in such Unit Owner’s Unit will be required to abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto and may be required to enter into an agreement with the Condominium Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet.. See Section XVI, “Rights and Obligations of the Unit Owners and the Board of Managers”.

32. Adjustments for prepaid expenses between the Sponsor and the Board of Managers may be deducted only from the Working Capital Fund. The only substantial credit to the Sponsor that is anticipated with reasonable probability is an adjustment for real estate taxes advanced by the Sponsor before the units are separately apportioned. The approximate range of such adjustment items is \$3,000-5,000. Net adjustments for prepaid expenses, if in favor of the Sponsor, are to be paid from the Working Capital Fund. There will be a minimum Working Capital Fund regardless of the amount of adjustments. Any balance will be paid over to the Board of Managers upon turnover of control to the board. See Section XIX, “Reserve Fund & Working Capital Fund”.

33. A Reserve Fund and Working Capital Fund are being established for the Condominium. Sponsor has elected to provide for a Reserve Fund to be used for capital replacements or repairs, even though the Building will be newly constructed. In the event the need for capital replacements should arise it is possible the Reserve Fund may not have enough funds or the Condominium may not be able to finance needed capital expenditures such as renewal or replacement of building components or systems or to remedy major building defects by mortgaging the common elements. It may be necessary for unit owners to finance their units to raise capital for these purposes. The Sponsor makes no guarantee that such financing is available. Additionally, the Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may decide in the future to create a special assessment or to increase the Common charges. Section XIX, “Reserve Fund & Working Capital Fund”.

34. Prior to the closing of title to a Unit, the Agreement prohibits a contract vendee from listing the Unit for resale or rental with any broker or from advertising or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease, without Sponsor’s prior written consent. If any Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an event of default under the terms of the Purchase Agreement, thereby entitling Sponsor any and all remedies under the terms of the Purchase Agreement. In addition, a

Purchaser (other than a Purchaser purchasing for such Purchaser's own or their immediate family's occupancy) may not advertise, list or sell a Unit (provided however, such limitation shall not apply from and after the date that the Sponsor conveys title to all of the Units). Any such conveyance in violation of the foregoing will be voidable by the Sponsor. See Part II, "Purchase Agreement."

35. The use of the Residential Units is for single family residence purposes only. A Residential Unit cannot be used for commercial, office, home office, home occupation, or any other non-residential uses. See Part II, "By-Laws".

36. The patios, terraces and/or balconies, if any, may not legally be used as a bedroom or living area without resulting in fines and/or violations being levied against the entire building. However, the habitable portions of the cellar may be used as a bedroom or living area. See Part II, "Floor Plans".

THE 539 FOURTH STREET CONDOMINIUM
539 FOURTH STREET
BROOKLYN, NY

PART I

I. INTRODUCTION

The purpose of this Offering Plan is to set forth all the material terms of the offer. The Plan may be amended from time to time when an amendment is filed with the New York State Office of the Attorney General. Upon acceptance by the NYS Department of Law all amendments will be served on all offerees. The Condominium is subject to and complies with the New York Condominium Act and Part 20 of Title 13, New York Code of Rules and Regulations.

The Sponsor is 4ST PARK SLOPE DEVELOPMENT LLC, a New York limited liability company. Sponsor acquired the property from Real Properties Group I LLC, by deed dated October 7, 2014.

Sponsor will endeavor in good faith to sell, but nevertheless reserves the unconditional right to rent or lease, rather than sell, the Units offered hereunder, after the Plan is consummated. There is no commitment to sell more Units than the fifteen percent (15%) of Units necessary to declare the Plan effective. As a result, 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 and owner-occupants may never gain effective control and management of the Condominium. However, the Sponsor will endeavor to use best efforts to sell six Units within twelve months from the date of the Declaration and once the sixth Unit is sold or two (2) years from the date of the First Closing, whichever is sooner, Sponsor will turn over control to the Unit owners. In addition, Purchasers may be acquiring a Unit that has been previously occupied, but, unless otherwise specifically agreed to in writing by Sponsor and Purchaser, such Unit will be delivered at closing free and clear of all leases and tenancies.

The Sponsor has not entered into any contracts or agreements for the sale of any units and no deposits or advances of funds have been have been accepted by the Sponsor. Currently, all units are vacant.

Purchasers should note that non-resident owners, including Sponsor, have no investment in their Residential Units and therefore, do not share the same economic interests as Unit Owners in the maintenance and care of the Building's facilities and amenities. Furthermore, owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment).

In the event Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor

Sponsor is entitled to and shall be bound by those additional rights and obligations (including the aforementioned representation regarding good faith efforts to sell the Units) applicable to a "sponsor" as more fully described in the Plan.

Currently Sponsor has a construction loan or other mortgage encumbering the property with First Niagara Bank, NA. Sponsor shall satisfy the mortgage on or before each closing, or negotiate a release price for each Unit which will be paid to the Lender to "partially release" the individual Units from the mortgage(s). The Sponsor's loan documents state that "Mortgagee may, without the consent of Mortgagor or any other person liable for the payment of the Indebtedness, release any portion or portions of or interest or interests in the Premises from the lien of this Mortgage, either with or without consideration, and may release or discharge in whole or in part any other property which it may at any time hold as security for payment of the Indebtedness or any part thereof and may take any other bond, note or obligation as evidence of the Indebtedness, payable at such time and on such terms as Mortgagee may approve." Accordingly, each Unit shall be released from the underlying mortgage(s) at the Unit Closings.

Eight (8) residential one-family Units are being offered in this Plan. No off street parking spaces will be provided. There is limited alternate side of the street parking. Please refer to Schedule A for the prices of the Units and other related information.

The basic aspects of Condominium ownership include the following:

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

The space owned exclusively by a Unit owner and reserved exclusively to the use of the Unit owner is the "Unit".

"Common Elements" are owned in common by all the Unit owners and may be used by some or all the Unit owners or services more than one Unit, i.e., all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side of the glass or concealed block work or concealed structural members of those walls, central and appurtenant facilities for services such as heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, sewage, drainage, gas supply, electrical work, and/or fire safety which serve the Building, entrances, lobbies, stairways, chimneys, meters, flues, sewers, sewer pipes, ducts, sprinklers, vents, cables, wires, traps, drains, roof drains, yard, roof, or hallway, compactor room, machine room and the house traps, the entrance, reception, main lobby, mail boxes, boiler rooms, laundry room, storage room, mechanical room, pump rooms, electrical room, sprinkler house trap and compactor room, the water tower and

pump, and any Facilities located on the roof, electric meters and panels, electric closets, feeders, risers and Facilities, gas meter and telephone cables, kitchen, bathroom and dryer exhaust ducts, corridor and Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting the Condominium, all passages, hallways, stairways, stairs and corridors, the roof, all equipment on the roof, and all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Units or Limited Common Elements. Please see Article 8 of the Declaration for a full list of description of the Common Elements.

“Limited Common Elements” are owned in common by all the Unit owners but are irrevocably restricted in use to specified Unit Owners and may be used by less than all the Unit owners, i.e., terrace or balcony, cellar accessory space, garden/patio areas or yard adjacent to, appurtenant to, or designated to a Unit. Certain Unit Owners have exclusive use of patios at the rear yard, or other Limited Common Elements, appurtenant to their Units, and such Unit Owners are responsible for all normal Maintenance, thereto. Patios at the rear yard appurtenant to Units are shown on the Unit Floor Plans included in Part II of the Plan. However, the costs and expenses of any structural or extraordinary repairs or replacements to any patio at the rear yard (unless due to damage caused by a Unit Owner) shall be charged to all Unit Owners as a Common Expense. The type, size and quantity of plantings and other installations to be placed on such space and the rights of Unit Owners to paint and decorate such spaces shall be subject to the prior written approval of the Condominium Board. These spaces cannot be altered or enclosed without the consent of the Condominium Board. The Limited Common Elements are 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 (see By-laws, Article VIII).

A Unit Owner may decorate the interior of such Unit Owner’s Unit in any way desired except as otherwise provided herein, subject to compliance with the By-Laws, the Rules and Regulations, and Law, and will be solely responsible for the cost of Maintenance and interior repairs to such Unit Owner’s Unit after Closing. Each Unit owner is responsible for maintenance and repairs and for casualty and liability insurance for his Unit, as distinguished from the obligations of the Board of Managers with respect to the Common Elements and Limited Common Elements.

After the closing of title to a Unit, a Unit Owner will be solely responsible for maintaining casualty insurance with respect to the fixtures, equipment and personal property and improvements and betterments situated within such Unit Owner’s Unit, as well as liability insurance with respect to occurrences in or about such Unit Owner’s Unit. The By-Laws require that each Unit Owner maintain such insurance coverage. The Condominium Board will be solely responsible for maintaining casualty and liability insurance with respect to the Common Elements, in accordance with the provisions of the By-Laws. All Unit Owners must comply with the terms of the Declaration, By-Laws, Rules and Regulations and any other requirement of the Condominium Board. See the Section entitled “Rights and Obligations of Unit Owners and the Board of Managers” for a more complete discussion of the foregoing.

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes, and no Unit Owner will be responsible for the payment of, nor will such Unit Owner's Unit be subjected to any lien arising from the non-payment of real estate taxes on other Units. Please refer to the opinion of Mark J. Nussbaum, Esq., counsel to Sponsor, set forth in full in Part I of the Plan, for a discussion regarding the deductibility for federal, New York State, and New York City income tax purposes, of real estate taxes and the interest paid on a mortgage, if any, on a Unit.

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

The Condominium Board will be responsible for deciding all matters affecting the Building. Unit Owners will have the right to vote for members of the Condominium Board. Sponsor will control the Condominium Board during the Initial Control Period. Please refer to the Sections of the Plan entitled "Control by Sponsor" and "Board of Managers" in Part I of the Plan for further details.

As more particularly set forth in the By-Laws, the Condominium Board will determine the amount of Common Expenses. On a monthly basis or at such other times as the Condominium Board determines, the Condominium Board will assess Unit Owners for Common Charges to meet Common Expenses. Such charges will be assessed against Unit Owners in proportion to their respective Common Interests except as otherwise determined by the Condominium Board or the Condominium Board in accordance with the Condominium Act, Sections 339-i and -m.

Generally, the cost of operating the Common Elements will be borne by the Unit Owners in proportion to their respective Common Interests except as otherwise provided in Schedule B "Projected Budget for First Year of Condominium Operation" in Part I of the Plan or in accordance with the terms of the By-Laws. The Condominium Board may make allocations of Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with Law.

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

Purchasers should note, however, that in view of the current energy situation, and the fact that

energy costs have fluctuated greatly, it is not possible to predict with any certainty whether the budgeted amount for energy costs will be sufficient to pay for the actual costs incurred in the first year of Condominium operation. See Schedule B-1 for further details.

Subject to certain conditions contained in the By-Laws, each Unit Owner may mortgage such Unit Owner's Unit(s) with such lender and in such amount as the Unit Owner chooses. However, Sponsor makes no representations about the financiability of any Unit. Each Unit is separate and is not subject to the lien of any mortgage placed by other Unit Owners on their respective Units.

The Condominium Board does not have the right to approve or disapprove purchasers. However, pursuant to the By-Laws the Condominium Board does have the Right of First Refusal. There is no limit on the number of owners who may purchase for investment rather than for personal occupancy and there may always be a substantial percentage of owners who are non-residents.

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

The prices stated herein are not subject to approval by the Office of the Attorney General or any other government agency.

This Offering Plan, delivered to the prospective purchasers, contains all of the material terms of the transaction. 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 will be available for inspection without charge and for copying at a reasonable charge to prospective Purchasers and their attorneys at the office of the selling agent or Sponsor. The Offering Plan and all Exhibits are also available for inspection, and copying at an additional charge, at the NYS Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271.

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.

Offering of Units for Sale

Sponsor hereby offers eight (8) Residential Units in the Building for sale under this Plan. The Purchase Prices, estimated Common Charges and estimated real estate taxes for each of the Units are listed below in the Section entitled "Schedule A-Purchase Prices and Related Information" (hereinafter referred to as "Schedule A"). **THE PRICES CONTAINED IN THIS PLAN HAVE BEEN SET BY SPONSOR WITHOUT ARMS LENGTH NEGOTIATION AND ARE NOT SUBJECT TO APPROVAL BY THE DEPARTMENT OF LAW OR ANY OTHER GOVERNMENTAL AGENCY.** While Sponsor is currently offering the Units for sale, Sponsor has reserved the right to rent, rather than sell the Units, which right is unconditional and exercisable in Sponsor's sole discretion.

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

II. DESCRIPTION OF PROPERTY AND IMPROVEMENTS

This is a gut renovation project. The property is presently a Class IIA, protected-combustible structure and will be fully sprinklered. Sponsor represents that alteration applications have been filed with the Department of Buildings for the construction under permit number 340370690 and building plans and drawings have been submitted to the Building Department of the City of New York.

Eight (8) residential Units are to be in one building containing four floors and a cellar. The cellar level shall consist of accessory space for Units 1L and 1R, a waste/trash room, bicycle and stroller storage room, Unit Owner storage bins, a common play room, and mechanical rooms. The Units will contain new appliances including a refrigerator, stove, and microwave. The Units are fully described in Part II of the Plan, "Description of Property and Specifications."

The Units and their appurtenant Common Elements are being sold "as is" in the condition in which they exist on the Filing Date of this Plan, subject to ordinary wear and tear and further subject to Sponsor's obligation to Maintain the Building until the First Closing and further subject to Sponsor's obligation to make repairs, improvements or decorations as may be otherwise set forth in this Plan. Except as described in Part II "Description of Property and Specifications," Sponsor makes no representations or guaranties regarding the condition of the Property and has no specific knowledge about problems with or needed repairs to the Building.

The first year of Condominium operation is estimated to be January 1, 2018 through December 31, 2018. Purchasers should note that even if the first closing occurs on or before January 1, 2018 (or such other date projected as the date of commencement of the operation at the time the purchase agreement was entered into) or within the twelve-month period thereafter, the closing of subsequent units may be substantially delayed beyond such dates. In such case, provided that Sponsor is diligently pursuing completion of construction 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

The Condominium property consists of an urban street environment. No off-street parking will be provided. There is limited alternate side of the street parking.

The property will be improved and the Units constructed in accordance with all applicable zoning and building laws, in particular, the zoning and building codes of the City of New York.

New York City Local Law 7 of 2004 ("LL 7") requires the installation of carbon monoxide detectors by owners of multiple dwellings, including owners of Units in residential Condominiums. Sponsor intends to provide smoke and carbon monoxide detectors in each Unit. Each Unit Owner

will be responsible to keep and Maintain the smoke and carbon monoxide detectors in good repair and to replace any detectors which were stolen, removed, found missing or rendered inoperable. Sponsor makes no representations whether Unit Owners will comply with the foregoing obligations. For further details see Part I of the Plan under Section XIII, "Rights and Obligations of Sponsor".

It is expected that the Units will be ready for occupancy on or about January 1, 2018.

The Condominium is located on a public road owned and Maintained by the City of New York. No new roads are to be constructed.

Units

Subject to the rights of Sponsor and its designee to change the number of Units, there are a total of 8 residential Units being offered for sale. Detailed descriptions of the Units are set forth in the Declaration and in the "Description of Property" in Part II of the Plan. See also the Section entitled "Changes in Prices and Units." Please refer to Schedule A, "Prices of Units and Related Information" for further details.

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

A Unit Owner may only use such Unit Owner's Unit for a purpose consistent with the local zoning ordinance, as amended from time to time, any other applicable ordinance or statute, and any regulation of a governmental authority with jurisdiction over the Condominium, including, but not limited to, local building codes and the Multiple Dwelling Law, as such statutes, ordinances and regulations may be amended from time to time, but in no event may a Unit Owner use such Unit Owner's Unit for a use violative of the By-Laws.

General Common Elements

Generally, the General Common Elements consist of all portions of the Building other than the Units, and include, among other things, where applicable, the following: (a) the Land (including all yards and courtyards appurtenant to the Building); (b) all foundations, footings, columns, girders, concrete floor slabs and ceilings, beams, supports, and interior load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side of the glass or concealed block work or concealed concrete structural members of those walls; (c) passages, hallways, stairs and corridors and all fire staircases, landings and stairs, mechanical and other rooms, areas and spaces

located in the Building, which are not part of any Unit; (d) the passenger elevator in the Building (including its shaft, pit, cab, machinery, cables and appurtenant facilities); (e) the entrance, reception, lobby, mail boxes, boiler room, refuse rooms, refuse chutes, storage room, mechanical room, pump rooms, electrical room, sprinkler house trap and compactor room; (f) machine rooms, storage rooms, waste rooms, bicycle and stroller storage area, the play room, and any other unnamed ancillary areas in the Cellar of the Building; (g) the exterior doors in the Building; (h) general illumination fixtures and security systems; (i) the roof; (j) any machinery or equipment on the roof servicing the Units; (k) kitchen and bathroom exhaust ducts, washer/dryer exhaust ducts, air conditioning and heating ducts, pipes, condensers, corridor and Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor, walls and ceilings serving or benefitting the Condominium; (l) the water tower; (m) the chimney located in the boiler room and running to the roof of the Building; and (n) all other parts of the Building and the apparatus, installations, systems, equipment and facilities in the Building (including shafts, pipes, chutes, wires, ducts, vents, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance or safety of the Building and the Unit Owners. A detailed description of the General Common Elements is set forth in the Declaration.

Limited Common Elements

The Limited Common Elements include those portions of the Building available for the exclusive use of some but not all Unit Owners. At the present time the Limited Common Elements consist of a patio at the rear yard appurtenant to some of the Units, the cellar accessory space for Units 1L and 1R, and the roof terraces. A Unit Owner who has such space appurtenant to such Unit Owner's Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use, and shall be responsible for all normal Maintenance thereto. However, the costs and expenses of any structural repairs or repairs or replacements to any such space (unless due to damage caused by its Unit Owner) shall be charged to all Unit Owners as a Common Expense.

The Condominium Board will have the right to require a Unit Owner to obtain the consent of the Condominium Board prior to installing plantings, surface coverings and other furniture, equipment and installations on their limited common elements and may require a Unit Owner to remove same if the Condominium Board determines, in its discretion, that such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. No patio may be enclosed without the express written consent of the Condominium Board. Unit Owners are expressly prohibited from installing paving stones or other materials over the existing surfaces of the patio without the prior written consent from the Condominium Board. The Condominium Board may establish such other rules and regulations it deems necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

Patios at Rear Yard

Included in the Limited Common Elements are two (2) garden patios at the rear yard with private access from the two first floor Units as more particularly described in Schedule A, which areas are included in the purchase prices for the Units. A Unit Owner who has a patio appurtenant to such Unit Owner's Unit shall have the exclusive use of same, subject to the right of the Condominium Board to regulate its use, and shall be responsible for all normal Maintenance thereto. However, the costs and expenses of any structural repairs or repairs or replacements to any patio (unless due to damage caused by its Unit Owner) shall be charged to all Unit Owners as a Common Expense.

Services and Facilities

The Building will be Maintained, operated and staffed in a manner to be determined by the Condominium Board. The Unit owners may decide to hire a part time janitor/superintendent will be hired. When the janitor/superintendent is hired, common charges will have to be raised in order to pay for these services. Prospective purchasers are urged to carefully review Schedule B in Part I of this Plan and the Description of Property set forth in Part II of this Plan, for a description of the services presently being provided. Sponsor makes no representation that the aforesaid services will continue to be provided. Notwithstanding the foregoing, however, the Condominium Board shall at all times Maintain, operate and staff the Building in compliance with, and subject to, all applicable Legal requirements. Except as otherwise consented to in writing by Sponsor, the Condominium Board shall operate the Property at the same level of services as those supplied on the date of recording the Declaration, except for those services, if any, that are the obligation of Sponsor to provide under the terms of the Declaration or the Plan.

Communication Facilities, Intercom Service, and Internet

Each Unit will be equipped with new door signaling system and intercom. The system will enable occupants of each Unit to communicate with the front door and release the front door for entry to the Building. The Units will not be equipped with television reception facilities. There will be no central television antenna in the building. Each Unit owner will be responsible for providing their own antenna.

Landmark Status

The Building is within the NYC Landmarks Preservation Commission Historic Park Slope, Brooklyn. The Landmarks Preservation commission has approved this project. Applications for the alteration work have been filed and were granted a permit/NYC LPC Docket #183102. The Landmarks Preservation Commission has restricted exterior changes to the Building.

Construction is a complicated process requiring the coordination of numerous tasks, contractors and suppliers, and the balancing of complex mechanical and architectural systems. No assurance can be given with regard to the accuracy of any projected completion dates set forth herein. It is possible that during the first year of Condominium Operation, construction workers and related personnel will be at the Property from time to time completing construction of the Building, making adjustments and corrections and performing various tasks related to the completion of construction. During this period, various building systems, including but not limited to water and gas supply, air conditioning, heating and electricity, cooling, ventilation, the elevator, and/or intercom systems, may need to be shut down temporarily.

Except as otherwise noted above, all determinations with respect to the continuance of services and facilities for the Building will be made by the Condominium Board, which, until the expiration of the Sponsor Control Period, will be controlled by Sponsor (see the Section "Control by Sponsor"). In all likelihood, the nature of the services listed above, the hours during which they are provided and the rates charged for same will change from time to time, in the discretion of the Board, the Managing Agent or other party providing the service.

Neither Sponsor, the Selling Agent, the Managing Agent nor the Condominium Board will in any event be liable for the interruption, discontinuance or quality of any of the foregoing services, including, but not limited to, any services provided by any outside company or person, or for any injury to person or damage to property resulting from any act or omission of such company or persons or their employees or agents, including Building personnel or otherwise. Purchasers are advised that neither the Plan nor the Declaration or By-Laws provide Unit Owners with a means of redress with respect to the foregoing.

III. LOCATION AND AREA INFORMATION

The Condominium is located in a highly developed urban area in the Park Slope section of Brooklyn.

Local transportation is provided by the New York City Transit Authority by means of buses and subways to local shopping areas and medical facilities. Subway stations for the F and G lines (7th Avenue Station), are conveniently located near the Condominium.

The Condominium is located in School District 15 and is serviced by PS 321. There are other numerous public schools, private schools, preparatory and charter schools in the immediate vicinity.

Prospect Park, is located just a few blocks away from the Condominium. The Brooklyn Museum and the Brooklyn Children's Museum are also located within a mile away from the Condominium. Houses of worship are also conveniently located near the Condominium. Methodist Hospital is located less than 1.0 mile from the Condominium.

The following services are provided by the City of New York: police protection, 78th police precinct, snow removal and road maintenance, water and sewer services, and garbage pickup. Gas and electricity is provided by Consolidated Edison a private utility. The cost of these services is estimated in Schedule B-1.

A building permit has been obtained from the building department of the City of New York. The zoning of the site is am R7B zone, which permits multifamily construction as of right. The site has landmark designation in the Park Slope

The Sponsor does not plan to acquire and/or develop any adjacent or neighboring parcels. Sponsor will amend the 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 to Sponsor.

In the opinion of the Sponsor, there are no uses presently in existence or proposed in adjacent or nearby buildings or land which a reasonable purchaser would find objectionable or obnoxious.

CERTAIN DEFINITIONS

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

“Building” refers to the structures and improvements including above and below grade segments, and more specifically the two buildings being built at the premises known as 539 4th Street, Brooklyn, NY in which the Units of the Condominium are located.

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

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

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

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

“Common Charges or Carrying Charges” refers to assessments payable by the Unit Owners to the Condominium Board for the purpose of meeting the cost of the Common Expenses.

“Common Elements” refers to the Land and all portions of the Building other than the Units, including but not limited to the foundation, footings, columns, girders, concrete floor slabs and ceilings, water coils, tempering valves, boilers, chimneys, flues, ducts, vents, wires, chutes, passages, hallways, stairways, stairwells, entrances, lobbies, elevator, cables, shaft, pit, cab, front yard, lawns, mail boxes, meter room, sprinkler room, sprinklers, mechanical room, kitchen and bathroom exhaust ducts, steam lines supply and return for heating and air conditioning, circuits and circuit breakers, water lines, sewer lines, traps, gas piping, roof, any equipment on the roof, bulkhead skylights, general illumination and security fixtures, and any other equipment or facilities in the Building which serve or benefit or are necessary or convenient for the existence, maintenance or safety of the building and Unit Owners. Also, included are the Limited Common Elements as more particularly described in this section and Article Fifth of the Declaration.

“Common Expenses” refers to the costs and expenses incurred or projected in connection with the Maintenance of and to the Common Elements and the Limited Common Elements or in connection with any services or facilities exclusively benefitting the Building and the Unit Owners, including but not limited to routine maintenance, water and sewer charges, and property taxes.

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

“Condominium” refers to the 539 4th Street Condominium.

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

“Condominium Board” refers to the Board of Managers of the Condominium.

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

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

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

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

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

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

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

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

“Law or Laws” refers to laws and ordinances of any or all of the federal, state, city, county and borough governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property, and any Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued

by any of the foregoing, the direction of any public officer pursuant to Law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

“Limited Common Elements” refers to those Common Elements which serve or benefit exclusively one or more but not all the Units and/or the Unit Owners, including but not limited to yards, decks, balconies and terraces.

“Maintenance or Maintain” refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration, addition, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

“Managing Agent” refers to the managing agent or manager of the Building, if any, at the time in question. It is anticipated that the managing agent of the Condominium will initially be the Sponsor or its affiliate as more fully discussed in Section XX, “Management Agreement, Contracts, and Leases.”

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

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

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

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

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

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

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

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

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

“Sponsor” refers to 4st Park Slope Development. LLC, a New York limited liability company, and its successors and assigns.

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

“Sponsor Control Period” refers to the period ending whenever 75% of the Units, 6 of the 8 residential Units offered for sale, have been sold.

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

“Unit Owner” refers to any Unit Owner and all of such Unit Owners are collectively referred to as the “Unit Owners.”

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

IV. Offering Prices and Related Information

THE 539 4TH STREET HOUSE CONDOMINIUM

Schedule A

Projected charges and expenses from
January 1, 2018 through December 31, 2018

Unit no.	Bedrooms, bathrooms (1)	Total area (sq. ft.) (2)	Limited Common Elements (sq. ft.) (2a)	Offering price (3)	Percentage of common interest (4)	Monthly common charges (5)	Monthly/ annual real estate taxes (6)	Total monthly carrying charges (7)
1L	3/2.5	1,810	432	\$2,250,000	16.47%	\$707.81	\$1,200.41/ 14,404.83	\$1,908.22
1R	3/2.5	1,784	460	2,250,000	16.18%	695.35	1,179.27/ 14,151.20	1,874.62
2L	3/2	1,188	192	2,000,000	10.77%	462.85	784.96/ 9,419.55	1,247.81

Unit no.	Bedrooms, bathrooms (1)	Total area (sq. ft.) (2)	Limited Common Elements (sq. ft.) (2a)	Offering price (3)	Percentage of common interest (4)	Monthly common charges (5)	Monthly/ annual real estate taxes (6)	Total monthly carrying charges (7)
2R	3/2	1,288	192	2,000,000	11.68%	501.96	851.29/ 10,215.45	1,353.25
3L	3/2	1,188	192	2,000,000	10.77%	462.85	784.96/ 9,419.55	1,247.81
3R	3/2	1,288	192	2,000,000	11.68%	501.96	851.29/ 10,215.45	1,353.25
4L	3/2	1,188	192	2,250,000	10.77%	462.85	784.96/ 9,419.55	1,247.81
4R	3/2	1,288	192	2,250,000	11.68%	501.96	851.29/ 10,215.45	1,353.25
Tot:		11,022	2,044	\$17,000,000	100%	\$4,297.59	\$7,292.93/ \$87,515.16	\$11,586.02

THE LIMITED COMMON ELEMENTS MAY NOT LEGALLY BE USED AS A BEDROOM OR LIVING AREA WITHOUT RESULTING IN FINES AND/OR VIOLATIONS BEING LEVIED AGAINST THE ENTIRE BUILDING.

FOOTNOTES TO SCHEDULE A

1. A full bathroom has, in addition to a sink and toilet, a tub or shower.
2. Residential Unit plans depicting layouts of Residential Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the square footage of each Unit as reflected in Schedule A and Schedule B and the Floor Plans set forth in Part II of the Plan is approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Unit and exceeds the actual floor area. Floor area may include columns, interior walls, mechanical pipe shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be enclosed as freestanding columns, thereby reducing the available floor area. Each Unit will consist of the area measured horizontally from the exterior face of the perimeter wall to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, and other mechanical equipment spaces or any common elements; or to the exterior face of the opposite perimeter walls.

- 2a. Each Unit has certain areas designated for its sole and exclusive use, and other areas are shared by a few but not all the Units, which areas have been designated as Limited Common Elements. See Section II, "Description of Property & Improvements."

Units 1L and 1R shall each have exclusive use of and access to the garden/patio area attached to their Unit. These spaces shall be considered Limited Common Elements.

All other Units will have private roof terraces and Storage Units in the cellar. These roof terraces and Storage Units shall also be considered Limited Common Elements.

THE LIMITED COMMON ELEMENTS MAY NOT LEGALLY BE USED AS A BEDROOM OR LIVING AREA WITHOUT RESULTING IN FINES AND/OR VIOLATIONS BEING LEVIED AGAINST THE ENTIRE BUILDING.

3. In addition to the purchase price listed here, purchasers should expect to pay the closing costs set forth in Section XII, "Closing Costs and Adjustments". No change in the sales price will be made other than pursuant to a duly filed amendment, except that the Sponsor reserves the right to decrease the sale prices below the Offering Plan prices without filing an amendment to the Plan at any time during the Offering where a reduction in sales price does not constitute a general offering but is rather the result of an individually negotiated unit purchase. See Section VIII, "Changes in Prices and Units".
4. Percentage of Common Interest is based on the interest in the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all the Units in part or parts of the Common elements as per Real

Property Law 339-i(1)(ii).

5. This is the Annual Projected Common Charges, and divided by 12 for a monthly amount, for the first year of operation. These figures have been estimated by the Sponsor and include fire and liability insurance for the units and Common Elements, and maintenance and operation of the Common Elements. Common Charges are collected in order to fund the Condominium Budget shown in Schedule B. Common Charges are collected monthly. Common Charges exclude repair and decoration to the inside of a home, electricity, gas (excluding cooking gas), telephone & cable television service, and insurance for personal belongings. See Schedule B-1 for estimated water, gas and electric costs for each Unit.

All costs/expenses from the budget are being shared by the Unit Owners based on their common percentage interests.

The Sponsor is not offering or procuring mortgage financing. If a Purchaser obtains financing, Purchaser's debt service will be an additional monthly expense.

6. This figure is the estimated annual real estate tax, and divided by 12 for a monthly amount, for the first year of condominium operation. Real estate tax estimates are based upon annual tax estimates for each unit upon completion estimated by Metropolitan Realty Exemptions, property specialist, by letter dated May 4, 2017. The aggregate tax rate for the City of New York is approximately \$12.892 per \$100.00 of assessed value, and the estimated assessed value upon completion is \$87,461.00. There is no separate sewer rental charge, they are included in the common charges.

The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements as set forth in Schedule A. Upon determination of individual tax lots and individual residential unit assessments, the New York City tax authorities may allocate taxes between the residential units in proportion to each residential unit's purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, residential units having the same or similar percentage interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A.

7. This figure is the total of the monthly real estate taxes added to the monthly common charges. Some of these charges may be tax deductible. See Part XVIII, "Opinion of Counsel".

V. SCHEDULE B

PROJECTED BUDGET FOR FIRST YEAR OF CONDOMINIUM OPERATION

THE 539 4TH STREET CONDOMINIUM

8 Residential Units

First year of operation is estimated to be January 1, 2018 through December 31, 2018

INCOME

Common Charges\$51,570.90

EXPENSES

Labor (1).....	- 0 -
Heating (2).....	- 0-
Utilities (3).....	1,725.00
Water Charges and Sewer Rents (4).....	10,545.90
Repairs & Maintenance (5).....	4,000.00
Service Contracts (6).....	19,900.00
Insurance (7)	7,200.00
Management Fees (8)	- 0 -
Office Expenses (9)	- 0 -
Legal Fees and Audit Fees (10)	2,500.00
Contingency Fund (11)	1,000.00
Reserve Fund 10% (12).....	<u>4,700.00</u>

TOTAL\$ 51,570.90

- * If the actual or anticipated date of commencement of condominium operation is to be delayed more than six (6) months from the budget year projected in the Plan, the Plan must be amended to include a revised budget disclosing current projections. See explanatory footnotes. If the amended budget exceeds this budget by 25% or more, the Sponsor will offer all purchasers the right to rescind and a reasonable period of time that is not less than fifteen (15) days, after the date of presentation to exercise the right, whether or not Sponsor offers to guarantee the previous budget projection. If a Purchaser rescinds their Purchase Agreement based on the foregoing their deposits will be returned, within a reasonable period of time. Sponsor may not declare a Plan effective where there are any material changes to the budget if these changes have not been disclosed by a duly filed amendment to the Plan.

FOOTNOTES TO SCHEDULE B

All common charge expenses have been calculated based on each Unit's Common Percentage Interest.

1. Upon the closing of 6 of the 8 Units, pursuant to the Administrative Code of the City of New York, §27-2053, a part-time janitor/superintendent will be hired, as the Administrative Code only requires a resident janitor when there are 9 or more units. Sponsor may also hire a part-time doorman. In the event Sponsor does not sell 6 Units a janitor may never be hired by Sponsor. If a part-time janitor is hired, Common Charges may have to be raised to pay for their professional services. The estimated yearly charge for a janitor is approximately \$7,500.00 and \$12,000.00 for a management agent. After control of the Board is turned over to Unit Owners, the Board may decide not to retain the janitor, and if a management agent and/or janitor is terminated or not retained by the Board, Unit Owners will need to take care of the routine maintenance of the Condominium, including but not limited to, cleaning, garbage removal, snow removal, Common Area maintenance, collection of Common Charges, and the payment of service providers.
2. There will not be heat supplied to the common areas. Unit owners will obtain their own individual electricity, which will be separately metered, telephone, and cable television service. Please refer to Schedule B-1 for individual Unit water sewer, electric, gas, and heating costs.
3. This is the projected cost for common elements. Unit owners will obtain their own individual electricity at approximately \$.21/KWH, which will be separately metered, telephone, and cable television service and can cost up to \$2,600 per Unit. The estimated KWH usage for the Condominium's First Year of Operation is 70,294 at a total estimated cost of \$15,000.00 for the First Year of Operation. Please refer to Schedule B-1 for individual Unit water sewer, electric, gas, and heating costs.
4. For water to the individual Units and the yards. Water supply is provided by the City of New York. Water and sewer will be collectively metered and paid as a common expense. The water charges incurred for watering the yards is on a separate meter and will be included in the monthly water charge. Based on the opinion of Alayne Real Estate, Inc. dated January 4, 2017, each Unit and the yards, will require approximately 100 HCF at approximately \$9.87 per HCF. Ten percent has been added to that estimate to provide for inflation or rate increases. This figure may rise or fall depending on usage and water source prices.
5. This item is intended to cover the projected cost during the First Year of Condominium Operation of normal maintenance of and repairs to the Common Elements and Limited Common Elements, plus the cost of supplying various cleaning supplies and materials, lubricants, bulbs and general and hardware supplies to the Common Elements. It also includes but is not limited to the front façade, landscaping and maintenance of the yards, the fences, and other routine maintenance that are necessary for minor building repairs,

electrical, hardware, and plumbing repairs, periodic painting of the lobby and facade of the building as well as those hallways which are Common Elements. It does not include the cost of repairs (e.g. repairs of appliances), maintenance, painting, decorating or supplies to individual Units all of which is the responsibility of the respective Unit Owner nor does it include the cost of any capital repairs to the Property or any part thereof. It also does not include any service or maintenance items which are included in Footnote (6) below (Service Contracts).

6. This is the Sponsor's estimate for sprinkler inspection and maintenance based on a quote from D.G. Orue, Inc., 1098 Bowling Green Drive, Westbury, NY 11590, (516) 924-3602 for approximately \$1,700.00; extermination services based on a quote by Positive Pest Control, Inc., PO Box 30, Cedarhurst, NY 11516 (718) 337-7855 for approximately \$1,400.00; and cleaning based on a quote by PBS Maintenance Facility, 333 Avenue X, 2nd Floor, Brooklyn, NY 11223 (718) 336-3151 for approximately \$16,800.00.
7. Based on an estimate received by the Sponsor from Park Brokerage, P.O. Box 050330, Brooklyn New York 11205, for an all risk replacement cost property insurance subject to a \$5,000.00 deductible; \$1,000,000.00/\$2,000,000.00 combined single limit comprehensive general liability coverage; with no co-insurance provisions. The premium is \$3,480.00. The insurance policy provides: that each owner is an additional insured party, there will be no cancellation of the policy without notice to the board of managers, on 30 days' notice, a waiver of subrogation, a waiver of invalidity because of the acts of the insured and unit owners, a waiver of pro-rata reduction if unit owners obtain additional coverage, and no co-insurance requirements, included in the amount of \$3,480.00 is insurance for Director's & officer's liability and Fidelity bond.

The following items are not included in the insurance policy but coverage for them may be available at extra cost if available and/or applicable: boiler and machinery, rent insurance, umbrella policy, water damage and excess liability.

Purchaser's should note that it is desirable to obtain additional insurance at their own cost to cover such risks as, fire and casualty losses to unit contents, replacements, additions, fixtures and improvements, and liability coverage for occurrences within the unit or, where applicable, on limited common elements.

8. The Building will be managed by the Sponsor or an affiliate of Sponsor under the Sponsor's control until such time that the Unit Owners gain control of the Board of Managers and decide to hire an outside management company. In the event an outside management company is hired the common charges may need to be raised, as the cost for the management agent is approximately \$12,000.00 per year. Please see Section XX Management Agreement, Contract and Leases for further details.
9. No office expenses are anticipated at this time.
10. To provide for audit fees for a Certified Public Accountant to provide an annual certified

financial statement and federal tax returns based on a proposal Yehezkel, CPA, 315 Madison Avenue, New York, New York. This estimate does not include the cost of litigation, if any, that might arise during this initial period.

11. This contingency is to provide for unanticipated expenses that may arise from time to time without the necessity of resorting to a special assessment to unit owners. It is intended to provide a fund for unanticipated expenses not included in the budget and for increases in operating expenses, above the amounts projected. The Contingency is not intended and may not be sufficient to meet the cost of any major capital repairs or replacements which may be required. If funds are required to meet such costs, it may be necessary to increase monthly common charges or institute a Special Assessment of Common charges. It will not be used to replace capital items. In light of the fact that the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacement during the first five (5) years of operation of the Condominium, nor will the Contingency Fund be sufficient to cover any needs major capital repairs, should any be required. Please see Section XIX, Contingency Fund and Working Capital Fund for further details.
12. A small Reserve Fund is being established to help defray the cost of any future capital repairs that are necessary. No representation is being made by Sponsor, that the Reserve Fund will be adequate for future repairs or replacements of Common Elements. The Board, in general has principal responsibility for repairing and maintaining the Common Elements (such as the roofs, central fire alarm and security systems, and various mechanical and electrical systems). The Board may decide in the future to increase the Reserve or Contingency Funds or pay for necessary repairs or capital items by special assessment or by increasing Common Charges, payable by the Unit Owners. Each Unit Owner would be individually liable for the amount of such special assessment or increase payable by the Board to the extent of such Unit Owner's proportionate Common Interest among all Unit Owners. In light of the fact that the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacement during the first five (5) years of operation of the Condominium, nor will the Reserve Fund be sufficient to cover any needs major capital repairs, should any be required. Please see Section XIX, Reserve Fund and Section XIXA Working Capital Fund for further details.

VI. SCHEDULE B - 1

PROJECTED BUDGET FOR ANNUAL INDIVIDUAL UNIT ENERGY COSTS (1)

THE 539 4TH STREET CONDOMINIUM

UNIT	SQ FT	CCF USAGE \$2.90	PRICE GAS	KWH USAGE \$.21	PRICE ELECTRIC	HCF USAGE \$10.89	PRICE WATER	TOTAL
1L	1951	1218	\$3,533.64	12238	\$2,569.92	90	\$1,102.62	\$7,206.18
1R	1949	1217	\$3,530.02	12225	\$2,567.29	90	\$1,102.62	\$7,199.93
2L	1010	631	\$1,829.31	6335	\$1,330.41	90	\$1,102.62	\$4,262.34
2R	1027	641	\$1,860.10	6442	\$1,352.80	90	\$1,102.62	\$4,315.52
3L	1010	631	\$1,829.31	6335	\$1,330.41	90	\$1,102.62	\$4,262.34
3R	1027	641	\$1,860.10	6442	\$1,352.80	90	\$1,102.62	\$4,315.52
4L	1010	631	\$1,829.31	6335	\$1,330.41	90	\$1,102.62	\$4,262.34
4R	1027	641	\$1,860.10	6442	\$1,352.80	90	\$1,102.62	\$4,315.52
CA	600			7500 (@.23)	\$1,725.00			\$40,139.69

Footnote on Next Page

FOOTNOTES TO SCHEDULE B-1

1. The above estimates were provided by Alayne Real Estate, Inc., Sponsor's management expert, by letter dated January 4, 2017. The dollar amounts are based upon the prevailing rates of \$2.90 per CCF for gas, \$.21 per KWH for electricity and \$10.89 per HCF for water. These estimates also include governmental surcharges, municipal, M.T.A. and sales taxes. The service provider for electricity and gas is The Consolidated Edison Co. The service provider for water is DEP. Sewer charges are billed together with real estate taxes. There is no separate charge for sewer service.

In view of the fact that these averages may include the use of energy by persons of varying need, occupying dissimilar types of dwelling units, constructed of different materials at different times, with different standards of comfort or with families of different sizes, the amount of energy used by the purchaser may vary substantially from the average estimates herein provided. In addition, the effect of inflation, fuel shortages and other factors may raise the cost of electricity and/or gas substantially higher than the current or projected rate.

Although the Sponsor is under obligation to provide accurate information to prospective purchasers, factors beyond its control may substantially effect the cost of heating and cooling after the purchase of a unit or in subsequent years. Sponsor represents, however, that it has followed the plans and specifications provided by the manufacturer of the heating, hot water and air conditioning units together with the recommendation of the utility company and other experts to enable these items of equipment to operate at optimum efficiency at the lowest cost. Sponsor further represents that it has not been induced to select the heating system described herein on the basis of any financial inducement other than the comparative 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.

VII. COMPLIANCE WITH REAL PROPERTY LAW § 339(i)

MARK J. NUSSBAUM & ASSOCIATES PLLC

ATTORNEYS AT LAW
225 Broadway, 39th Floor
New York, NY 10007
212.344.8000

December 19, 2017

New York State Department of Law
120 Broadway
New York, New York 10271

Re: The 539 4th Street Condominium
539 4th Street
Brooklyn, NY

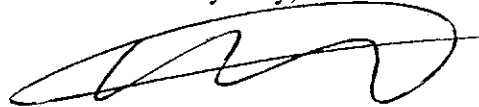
Sir or Madam:

I am an attorney at law admitted to practice in the State of New York and I am also a real estate broker licensed by the State of New York. I have over ten years' experience in reviewing offering Plans and contracts of sale of Condominium Units in New York State.

I am neither the selling agent nor the managing agent for above captioned Condominium.

The method selected for determining the percentage of common interest allocated to each Unit of The 539 4th Street Condominium complies with Section 339-i(1)(ii) of the Real Property Law in assigning the percentage of common interest to each Unit, in the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the Units but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all the Units in a part or part of the Common Elements.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Benjamin Fish', with a large, sweeping flourish at the end.

Benjamin Fish

VIII. CHANGES IN PRICES AND UNITS

Unless it would constitute a discriminatory inducement, Sponsor reserves the right at any time and from time to time before and after the recording of the Declaration, without the consent or approval of the Selling Agent, the Managing Agent, the Condominium Board, any Unit Owner or any mortgagee, to change the price, including, without limitation, the manner of payment thereof and other terms of sale of any Unit, except that no such change with respect to any Unit for which a Purchase Agreement is then in effect and with respect to which the Purchaser is not in default may be made without the consent of the Purchaser. If any price change is made, a Purchaser of a Unit affected thereby may pay more or less than other Purchasers under this Plan for similar Units, but this will not affect any prior or subsequent sale of Units not the subject of such change. However, such price change shall not alter the Common Interest of, or the amount of the Common Charges payable by, the owners of such Units. The Purchase Prices set forth in Schedule A must be changed by a duly filed amendment to this Plan when the change in Purchase Price is an across the Board increase or decrease affecting one or more lines of Units, or is to be advertised, or is a price increase for an individual Purchaser. Unless it would constitute a prohibited discriminatory inducement, Sponsor may enter into a negotiated Purchase 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 to this Plan.

Furthermore, unless it constitutes a discriminatory inducement, Sponsor reserves the right to negotiate with each Purchaser, the terms and conditions of the Purchase Agreement, including but not limited to purchase price; the amount of the Down Payment; financing and other contingencies; the availability of financing; the payment of Purchaser's financing fees and other closing costs; the availability of Common Charge rebates, Purchase Price rebates and subsidies payable as a credit against the Purchase Price or on a periodic basis; extensions of time periods within which to perform obligations under the Purchase Agreement; the availability of interim leases or use and occupancy agreements and the amount of interim rent; and the application of rent towards the Purchase Price. Sponsor reserves the right from time to time to add and/or delete negotiable terms from the list set forth above for all or some Purchasers without further amendment to this Offering Plan. No Purchaser will benefit from any terms and conditions negotiated with any other Purchaser, and a Purchaser's failure to so benefit will not give rise to any rights of rescission under a Purchase Agreement.

In order to meet the possible varying demand for number and type of Units, or to meet particular requirements of prospective Purchasers, or for any other reason, Sponsor reserves the right (except to the extent prohibited by law) at any time and from time to time, before and after the recording of the Declaration, without giving prior notice and without the consent of the Condominium Board, Unit Owner or mortgagee, to (a) change the layout of, or number of rooms in, any Unsold Unit, (b) change the size and/or number of Unsold Units by dividing one or more such Units into two or more separate Unsold Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Unsold Units, altering any boundary walls between one or more Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway) which exclusively benefit an Unsold Unit into such Unsold Unit, (c) designate any portion of any Unit as part of a newly created Unit or Common Element, and (d) if appropriate, reapportion among the Unsold Units affected by any such change, their aggregate Common Interests. In the event of any change pursuant to (b) - (d) above, such change shall be disclosed in a duly filed amendment to the Plan and

Declaration. No such change, including any change in the Common Interest or in the amount or quality of Common Elements directly affecting or servicing a Unit, will be made with respect to any Unsold Unit for which a Purchase Agreement is then in effect and the Purchaser thereunder is not in default unless (i) the Purchaser consents to such change or (ii) such change is not a material change in the size, common interest, dimension, floor space or layout of such Unsold Unit. The Common Interest of a Unit may change if there is a change in the floor space or the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. No material change will be made in the size or number of Units or in the size or quality of the Common Elements except by amendment to the Plan and, when applicable, by amendment to the Declaration. Unless all Purchasers consent, no material change will be made in Unit layout, or percentage of Common Interest if a Purchase Agreement has been executed and delivered to Sponsor for that Unit and the Purchaser is not in default. No material change will be made in the size and no material adverse change will be made in the quality of Common Elements unless all Purchasers not in default consent or received a right to rescind and a reasonable period of time that is not less than fifteen (15) days after the date of presentation of an amendment setting forth the right to rescind. Purchasers are not obligated to exercise a right of rescission in the event Sponsor proposes a material adverse change in the quality of the Common Elements but may waive this right. Sponsor will return any deposit or Down Payment promptly to Purchasers who rescind.

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

It should be noted that as long as the layout and dimensions of a Unit conform substantially to the Unit Plans, a Purchaser will not be excused from purchasing the Unit and will not have any claim against Sponsor as a result of any insubstantial or immaterial change or discrepancy.

IX. PROCEDURE TO PURCHASE

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

Purchasers will be afforded not less than three (3) business days to review this Plan and all filed amendments prior to executing a Purchase Agreement. If a Purchaser has not been afforded at least three (3) business days prior to executing a Purchase Agreement, such Purchaser will have seven (7) days after delivering an executed Purchase Agreement together with the Down Payment to rescind the Purchase Agreement and have the Down Payment refunded promptly. Such rescinding Purchaser must either personally deliver a written notice of rescission to the Sponsor within the 7-day period or mail the notice of rescission to the Sponsor and have the mailing post-marked within the 7-day period.

A Purchaser will be notified within thirty (30) days after submission of a signed Purchase Agreement, together with the Down Payment, whether the Purchase Agreement has been accepted or rejected. Purchase Agreements will not be binding on Sponsor until approved and executed by it, and delivered by Sponsor to the prospective Purchaser or such Purchaser's attorney. If the Purchase Agreement is accepted, a fully executed counterpart will be returned to the Purchaser. If such Purchaser receives no response within the 30-day period, his Purchase Agreement will be deemed rejected and canceled and all monies paid thereunder shall be refunded within fifteen (15) days thereafter. Upon such refund being made, neither party shall have any further rights or obligations hereunder with respect to the other. Sponsor hereby reserves the right at any time and from time to time for any reason whatsoever, without prior notice or prior amendment to the Plan and without the consent of the Condominium Board, to refuse to approve and execute (a) a Purchase Agreement for any Unit, except as prohibited by Law, and (b) a Purchase Agreement(s) for more than one Unit to any one person or entity. Sponsor shall have the right to reject such Purchase Agreement without cause or explanation to Purchaser, provided such rejection is not based on sex, sexual orientation, race, creed, religion, color, national origin or ancestry or other ground proscribed by Law. No prospective Purchaser will have any claim against Sponsor for Sponsor's failure to execute a Purchase Agreement.

The Sponsor expects the first closing of a Unit to occur by January 1, 2018, as stated in Schedule B. If such date is delayed twelve (12) months or more, Purchasers will be offered rescission. Purchasers will have the right to rescind the contract of sale by giving written notice of such intention, either by delivering said notice to Sponsor personally not later than fifteen (15) days thereafter or, by regular mail, post-marked not later than thirty (30) days thereafter.

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

Although a Purchaser may obtain financing from a lending institution or any other source, Purchaser's obligation to purchase a Unit pursuant to the Purchase Agreement shall not be contingent

on Purchaser obtaining financing for such purchase. Purchasers should note banks and other lenders may require that a minimum percentage of the apartments (such as 70% or more) in a building be sold before the lender will consider making a loan. As a result, Purchasers may experience difficulty obtaining a loan in a building where the percentage of Units purchased is lower than a lender's particular sales minimum. The obligations of a Purchaser under a Purchase Agreement are not conditioned on obtaining financing. Any prospective Purchaser who executed a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective Purchasers who require financing are advised to consult with a lending institution before execution of Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

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

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment in an amount equal to ten (10%) percent of the purchase price (the "Down Payment"). All Down Payment checks must be made payable to the direct order of "MARK J. NUSSBAUM, ESQ. AS ATTORNEY". All checks delivered in payment of the Down Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect. All Down Payments will be held in escrow in the Sponsor's attorney's IOLA account at Signature Bank and shall be FDIC insured up to \$250,000.00. However, if a Purchaser maintains any account(s) at the bank it will factor into the \$250,000.00 insurance limit.

The balance of the purchase price (including any portion of the Down Payment paid at Closing) shall be payable simultaneously with the delivery of the deed to the Unit at the election of Sponsor by a wire transfer or an official bank check or an unendorsed certified check drawn on or issued by a New York bank or trust company which is a member of The New York Clearinghouse Association and shall be payable to the direct order of Sponsor, or otherwise if Sponsor should so notify Purchaser. The bargain and sale deed, with covenants against grantor's acts, will be substantially in the form set forth in Part II of the Plan and will convey good and marketable title to a Purchaser of fee ownership in the Unit and such percentage of Common Interest in the Common Elements as is set forth on Schedule A, free and clear of all liens and encumbrances other than those set forth in this Plan.

Before issuance of the deed, at Closing, each Purchaser is obligated to execute and deliver the Power of Attorney substantially in the form set forth in Part II of the Plan. It shall be a default under the Purchase Agreement if Purchaser fails to deliver the Power of Attorney, which default shall entitle Sponsor to all of its remedies in the event of such default. The Power of Attorney gives the Board of Managers the power to acquire any Condominium Unit whose owner desires to abandon the same, or which shall be the subject of a foreclosure sale or in lieu of a foreclosure sale, at such price and on such terms as the Board, 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 the Board may in their sole discretion determine. It also nominates, constitutes and appoints

the Board of Managers to vote at any home owners meeting, and to file Amendments to the Declaration as necessary to carry out any of the provisions of the Offering Plan of the Condominium.

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

After the Plan has been declared effective, pursuant to a notice to be sent to all Purchasers after one contract has been signed, Sponsor will serve Purchasers with notice of the originally scheduled Closing Date at least thirty (30) days prior to the originally scheduled Closing Date. In the event Purchaser fails to close on the designated date, then Purchaser will have a thirty (30) day period after notice within which to cure such default, time being of the essence, following which Sponsor shall have the remedies set forth below. A Purchaser may waive notice of such Purchaser's Closing Date, by signing the waiver included with the Purchase Agreement, included in this Plan.

In the event of any default by Purchaser under a Purchase Agreement, and if Purchaser does not cure such default within thirty (30) days after Sponsor gives written notice to the Purchaser of such default and makes a written demand for payment, Sponsor may, at its option, either (a) cancel such Purchase Agreement and retain the Down Payment made by Purchaser, together with any interest earned thereon, as liquidated damages, in which event all rights, obligations and liabilities of Sponsor and Purchaser shall wholly cease and terminate or (b) bring an action against Purchaser for specific performance. In addition, Sponsor shall also be entitled to retain (i) any costs or expenses incurred by Sponsor for special work requested by Purchaser and (ii) the reasonable cost to restore the Unit to its condition prior to such special work being performed. Sponsor will be entitled to maintain an action against Purchaser for such additional costs.

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

If a Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in the Section entitled "Closing Costs and Adjustments" will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual Closing occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under the Purchase Agreement and this Plan, interest at the rate of fourteen (14%) percent per annum (or such lower rate per annum which is the legal limit, if 14% per annum exceeds the legal limit) on the total purchase price, computed from the original Closing Date until the actual date in which the Purchaser closes title to the Unit.

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

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

Sponsor may permit the assignment or transfer of Purchase Agreements. However, no Purchase Agreement shall be assigned without the written permission of the Sponsor and shall be approved only if the assignee is deemed to be qualified to be a Purchaser. Such permission shall not unreasonably be withheld. In the event the Sponsor approves of such assignment, all Down Payment funds shall be deemed assigned. No portion of the Down Payment funds shall be disbursed or refunded prior to closing. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase Agreement, or for the addition, deletion, or substitution of names on the Purchase Agreement, Purchaser shall pay Sponsor's Counsel a fee of \$500, payable in advance, for preparation of an assignment agreement.

If the Plan is withdrawn or abandoned, the Down Payment, previously used and actually collected by Sponsor, shall be returned to Purchaser within five (5) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth. If the Plan is abandoned after filing and the Sponsor has accepted purchase agreements, the Sponsor shall promptly submit an amendment to the NYS Department of Law together with form RS-3 as promulgated by the Department of Law. If down payments under Purchase Agreements have been received, and the Plan is abandoned, Sponsor shall return the down payment to the Purchaser within five (5) days from the date of the amendment abandoning the Plan. However, monies paid for upgrades or extras will not be returned. If there are no outstanding Purchase Agreements the Sponsor will not submit an amendment for filing but will submit a form RS-3 to the Department of Law.

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

No escrow will be established for unfinished items. At closing the Sponsor and Purchaser shall agree on a list of unfinished items, subject to Section XIII of this Plan, to be signed by both parties, in which the Sponsor agrees to complete said item within a reasonable time, not to exceed ninety (90) days. All representations under the Offering Plan and such additional obligations under the Offering Plan which are to be performed subsequent to the Closing Date will survive delivery of the deed.

PURCHASERS AGREE THAT NO DISCUSSION OF PUNCH-LIST ITEMS IS TO TAKE PLACE AT THE CLOSING ITSELF, AS NEITHER SPONSOR NOR ITS INSPECTION REPRESENTATIVE WILL BE PRESENT AT THE CLOSING. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE PURCHASE AGREEMENT, NEITHER PURCHASER NOR PURCHASER'S PROFESSIONAL, IF APPLICABLE, MAY INSPECT THE

UNIT SOONER THAN THE DATE AGREED TO WITH SPONSOR UNLESS REASONABLE NOTICE IS GIVEN TO SPONSOR AND SPONSOR AGREES TO ATTEND.

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

Prior to the First Closing, the entire building will be insured by the Sponsor, and after the First Closing the entire building will be insured by the Condominium. Purchasers are advised and strongly encouraged to obtain their own insurance policy as well. A Person in possession who is not an owner cannot insure the Unit, other than obtaining renter's insurance, as he or she has no ownership interest in the Unit, and the Unit cannot be doubly insured. Any person who is allowed take possession of a Unit prior to Closing assumes the risk of losses not covered by insurance, if any. Sponsor does not anticipate offering interim leases to Purchasers but reserves the right to do so.

If after a Purchase Agreement is fully executed by both Parties, any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Residential Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Residential Unit and shall be payable by Purchaser to Seller at Closing, provided however, that if the amount of such additional cost exceeds \$1,000 then Purchaser may cancel the Purchase Agreement and receive a full refund of all down payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability or obligation to the other in connection with the Purchase Agreement or transaction. However, such right to cancel the Purchase Agreement shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within ten (10) days after Seller informs Purchaser of the amount of the additional expense.

In the event that a Purchaser is entitled to rescind or terminate a Purchase Agreement for any reason, Sponsor may retain any escrow funds expended for special work at the request of the Purchaser as well as the cost of any work necessary to restore the Unit to its condition prior to such work having been performed, provided that Sponsor shall only retain the Down Payment of a Purchaser in accordance with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto, as described in the subsection of the Plan entitled "Escrow and Trust Fund Requirements" in this Section of the Plan.

ESCROW AND TRUST FUND REQUIREMENTS

Sponsor will comply with the escrow and trust fund requirements of General Business Law Sections 352-e(2-b) and 352-h and the Attorney General's regulations promulgated pursuant thereto.

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

The Escrow Agent:

The law firm of Mark J. Nussbaum & Associates PLLC, with an address at 225 Broadway, 39th Floor, New York, NY 10007, telephone number (212) 344-8000, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Mark J. Nussbaum, Benjamin Fish, and Anthony Goodman. All designated signatories are admitted to practice law in the State of New York. Neither the Escrow Agent nor any authorized signatories on the account are the Sponsor, Selling Agent, Managing Agent, or any principal thereof, or have any beneficial interest in any of the foregoing.

The Escrow Account:

All contract deposits or down payments will be placed in the master IOLA escrow account at Signature Bank, at its branch located at 71 Broadway, New York, NY 10006 entitled Mark J. Nussbaum & Associates PLLC Attorney Escrow Account IOLA, Escrow Account No. [REDACTED]

(the "Master Escrow Account"). Purchasers are advised that if a Purchaser makes a down payment in excess of \$250,000 for the purchase of a unit, such down payment placed in the escrow account will not be federally insured in excess of \$250,000.

At the time of execution of a Purchase Agreement, a Purchaser is required to make a payment in an amount equal to ten (10%) percent of the purchase price (the "Down Payment"). All Down Payment checks must be made payable to the direct order of "MARK J. NUSSBAUM AS ATTORNEY". Endorsed instruments will not be accepted. All checks delivered in payment of the Down Payment shall be accepted by Sponsor subject to collection, and if any such check is returned for insufficient funds or any other reason, Sponsor shall have the right, among other things, to deem such Purchase Agreement to be canceled and of no further force or effect.

Acceptance of the Down Payment by Sponsor's attorney and the placement of the Down Payment by Escrow Agent into the master escrow account, shall not be deemed a binding agreement by Sponsor to sell to Purchaser unless and until Purchaser executes a Purchase Agreement and Sponsor executes a duplicate thereof and delivers the Purchase Agreement to Purchaser in accordance with the terms of the Plan.

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

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 Purchase Agreement.

The Purchase Agreement:

The Purchase Agreement, is annexed in Part II of the Plan. The revised escrow provisions are included in a Rider annexed to the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser:

Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account.

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.

The Escrow Agent shall release the Deposit if so directed:

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

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs (i) through (iii) 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.

Purchaser will not object and will be deemed to have agreed, without the need for a written agreement, to the release of the Down Payment to Sponsor in the event Sponsor and Purchaser close title under the Purchase Agreement.

Set forth in Part II of the Plan is a copy of the form of escrow agreement between Sponsor, Purchaser and Escrow Agent which incorporates the terms of the Attorney General's regulations.

Escrow Agent shall be permitted to act as counsel to Sponsor in any dispute as to the disbursement of the Down Payment or any other dispute between Sponsor and a Purchaser whether or not Escrow Agent is in possession of the Down Payment and continues to act as Escrow Agent.

Sponsor has agreed to indemnify Escrow Agent from all costs, claims, expenses and damages incurred in connection with or arising out of the escrow agreement or the performance or non-performance of Escrow Agent's duties under the escrow agreement, except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the escrow agreement or involving gross negligence of Escrow Agent.

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

Escrow Agent will maintain all records concerning the Master Escrow Account for seven years after the release of funds. The Department of Law may perform random reviews and audits of any records involving escrow accounts to determine compliance with statute and regulation.

Before any Down Payment can be transferred to a new escrow account, or if the Escrow Agent is replaced, the Plan must be amended to provide the relevant details with respect to the new escrow account, the Escrow Agent and the escrow agreement as was originally provided in the Plan.

Waiver Void:

Any provision in the Purchase Agreement or escrow 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.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchase Agreements are not assignable. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Agreement.

Any purported assignment by Purchaser shall be deemed a violation of the Purchase Agreement and will constitute a default under the Purchase Agreement which shall be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel the Purchase Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser will be required to pay Sponsor's attorney a fee of \$500, in advance, for preparation of an assignment agreement.

X. EFFECTIVE DATE

The offer to sell is contingent upon the Plan's being declared effective and upon compliance with the relevant conditions and time periods described herein. Sponsor must conform with the following provisions in determining whether, when and how the Plan will be declared effective.

The Plan shall be declared effective by personal service of a notice on each Purchaser or by commencement of service by mail in the manner required by Section 20.1(d), of Part 20 of Title 13 NYCRR, stating that the plan was declared effective on a particular date, the percentage used to declare the plan effective and a list of the units being counted to meet the minimum percentage under

the terms of the plan to declare it effective. A closing may occur without the sponsor's submitting an amendment to the Department of Law to declare the plan effective; however, the Sponsor must comply with the requirements of Section 20.5(e) of Part 20 when submitting a Post-Closing Amendment pursuant to Section 20.3(f).

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. Units of a primarily ancillary nature such as garage spaces, parking spaces, storage Units, boat slips or cabanas, may NOT be counted toward effectiveness. Such Units are excluded from the base in calculating the percentage needed to become effective.

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

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 Purchasers were afforded fewer than three (3) business days to review the offering Plan and all filed amendments prior to the execution of a 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 (80%) percent (7 Units) or more of the Units offered under the Plan. If Purchase Agreements for eighty (80%) percent (7 Units) of the Units have not been executed within eighteen (18) months of the filing of the Plan the Sponsor may abandon this Plan so long as title to any

Condominium Unit has not been conveyed and the Declaration has not been filed at such time. In the event Seller exercises such option, it shall forthwith return the Purchaser's Down Payment.

If the Plan is withdrawn or abandoned, the Down Payment, previously paid to and actually collected by Sponsor, shall be returned to Purchaser within five (5) days of the date of such withdrawal or abandonment, in accordance with the provisions herein set forth. If the Plan is abandoned after filing and the Sponsor has accepted purchase agreements, the Sponsor shall promptly submit an amendment to the NYS Department of Law together with form RS-3 as promulgated by the Department of Law. If down payments under Purchase Agreements have been received, and the Plan is abandoned, Sponsor shall return the down payment to the Purchaser within five (5) days from the date of the amendment abandoning the Plan. However, monies used for upgrades or extras will not be returned. If there are no outstanding Purchase Agreements the Sponsor will not submit an amendment for filing but will submit a form RS-3 to the Department of Law pursuant to 13 NYCRR § 20.1(l)(2).

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 a stated amount which shall not be less than one-half of one percent of the total offering amount, or
- (ii) substantial damage or destruction of the building by fire or other casualty which cannot be cured for less than a stated amount which shall not be 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. Sponsor must provide that any stated dollar amount relied upon as basis for abandonment after effectiveness must 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.

XI. TERMS OF SALE

The term "Closing" as used herein refers to the conveyance of title to a Unit from Sponsor to Purchaser by the delivery to Purchaser of a deed upon payment by Purchaser to Sponsor of the balance of the purchase price for such Unit. The Closing to each Unit shall be held at the offices of Sponsor's attorneys, Mark J. Nussbaum & Associates PLLC, 225 Broadway, 39th Floor, New York, NY 10007 or at such other place as Sponsor may designate on not less than two (2) business days' prior notice. The Closing to each Unit shall take place only after or concurrently with the following events:

A. The Plan has been declared effective in accordance with its terms and the amendment to the Plan disclosing same has been accepted;

B. The recording or filing of the Declaration, By-Laws, and Floor Plans in the City Register's Office after approval of same in the Real Property Assessment Department of the New York City Department of Finance as required by Section 339-p of the New York Condominium Act or other applicable Law and such other documents as may be required by Law;

C. Either (i) the release of the Unit and its appurtenant interest in the Common Elements from the lien of all mortgages, if any, or (ii) if the Purchaser is obtaining financing on such Unit, the assignment to the Purchaser's mortgagee of any existing mortgage(s) encumbering such Unit and its appurtenant interest in the Common Elements;

D. The delivery to Purchaser of written notice of the time and place of the Closing to the Unit at least thirty (30) days prior to the Closing Date specified therein, unless the Purchase Agreement was executed after the First Closing and a Closing date was specified in the Purchase Agreement, including a reasonable opportunity, upon written request of Purchaser, for Purchaser to examine the Unit and the Property, during normal business hours and in the company of Sponsor's agent, prior to Closing;

E. The execution and delivery by Sponsor of a bargain and sale deed with covenants against grantor's acts (which deed shall be substantially in the form set forth in Part II of the Plan) conveying title to the Unit and its appurtenant Common Interest, free and clear of all liens, encumbrances and other title exceptions other than the permitted encumbrances;

F. If the Purchaser of the Unit so requests, the issuance of a title insurance policy or certificate committing to insure fee title to the Unit in the Purchaser subject only to the encumbrances set forth in Exhibit A annexed to the form of Purchase Agreement, set forth in Part II of this Plan, which policy or certificate will also insure that a valid Condominium has been created pursuant to the

Condominium Act. For an estimate of the cost to the Purchaser of obtaining such title insurance, see the Section entitled "Closing Costs and Adjustments," and

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

The Units are being sold "as is" in the condition in which they exist at the time a Purchaser signs a Purchase Agreement, subject to ordinary wear and tear except as otherwise provided in this Plan. 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 such personal property (i) is construction-related (ii) has been placed therein for display purposes or (iii) is specifically excepted in the Purchase Agreement. Sponsor will maintain the Building and the Common Elements until the First Closing, subject to ordinary wear and tear. Sponsor's obligation to make repairs in any Unit shall cease upon the Closing of Title of such Unit, except for repairs which Sponsor was obligated to make prior to the closing of title. Each Purchaser will be given a reasonable opportunity to examine the Unit prior to closing.

The cost of extras and special work must be paid for in advance by placing the money in the escrow account. If Purchasers rescind their Purchase Agreements they will not receive back the money used for such work. If Purchasers have not paid for the extras in advance, in the event of rescission the actual cost of such work will be deducted from any amounts returned to the Purchasers.

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

The risk of loss or damage prior to closing is assumed by Sponsor, but Sponsor shall have no obligation or liability to repair the same. If Sponsor or (in the event the Declaration is filed) the Condominium Board does not elect to repair the damage, the Purchase Agreement will be canceled and be of no further force or effect, unless the Purchaser agrees to accept such Unit without such repair. Thereafter, the Purchaser will be refunded all purchase monies paid to Sponsor unless the Purchaser is then in default thereunder (beyond the applicable grace period, if any), in which event the said purchase monies will be retained by Sponsor as and for liquidated damages. If Sponsor elects to repair the damage, the Purchase Agreement shall continue in full force and effect, the Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete such repair.

In the event of the existence of any lien or encumbrance, other than Permitted Encumbrances, Sponsor shall use its best efforts to clear, satisfy and/or discharge same. In the event a defect in title

cannot be cured without litigation or cannot be cured for less than 1% of the total offering price (\$17,000), Sponsor may abandon the Plan, after effectiveness. At the present time Sponsor is unaware of any defect in title that cannot be cured or that cannot be cured for less than 1% of the total offering price (\$17,000). In the event the cost to discharge or satisfy said lien costs more than 1% of the total offering price (\$17,000), Sponsor shall notify Purchasers of same and offer Purchaser's the right to rescind their Purchase Agreement and receive back their down payment. Purchasers may order title from a title company of their own choosing without incurring any additional fees from the Sponsor. A Purchaser electing to proceed with the purchase of a Unit will not be entitled to any credit against, or abatement of, the purchase price set forth in the Purchase Agreement and will have no claim or right of action against Sponsor by reason thereof. Sponsor has no obligation to institute any action or proceeding or to expend any sum of money to make title marketable or to eliminate any encumbrances or title defects, except as set forth in the Section of the Plan entitled "Effective Date."

Title to each Unit and its appurtenant interest in the Common Elements will be conveyed at the closing free and clear of all liens, encumbrances and title exceptions other than those described in this Plan and the proposed Unit Deed. The existence of mortgages, liens and encumbrances other than Permitted Encumbrances shall not be objections to title, provided bonds or properly executed instruments in form for recording necessary to satisfy or release Units from such impermissible liens or encumbrances are delivered at Closing and proper adjustments are made for the cost of recording or filing such instruments. Sponsor will bear the responsibility and cost of recording or filing such instruments. Currently Sponsor has a construction loan or other mortgage encumbering the property with First Niagara Bank, NA. Sponsor shall satisfy the mortgage on or before each closing, or negotiate a release price for each Unit which will be paid to the Lender to "partially release" the individual Units from the mortgage(s). The Sponsor's loan documents state that "Mortgagee may, without the consent of Mortgagor or any other person liable for the payment of the Indebtedness, release any portion or portions of or interest or interests in the Premises from the lien of this Mortgage, either with or without consideration, and may release or discharge in whole or in part any other property which it may at any time hold as security for payment of the Indebtedness or any part thereof and may take any other bond, note or obligation as evidence of the Indebtedness, payable at such time and on such terms as Mortgagee may approve." Accordingly, each Unit shall be released from the underlying mortgage(s) at the Unit Closings. If existing mortgages will not be satisfied at or prior to the First Closing, as of the First Closing, each mortgagee will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed.

The acceptance of a deed by a Purchaser shall be deemed an acknowledgment that Sponsor has performed and discharged every agreement and obligation on the part of Sponsor to be performed under the Plan except those (if any) which may be expressly stated in the Plan, in the Purchase Agreement, in 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of this Plan) and in GBL §352-e to survive delivery of the deed.

Upon the Closing of Title to a Unit a Purchaser will thereupon become obligated for the payment of Common Charges, taxes or other assessments charged against the Unit to the

Condominium Board (whether or not such Purchaser taken possession of the Unit and whether or not the tenant in possession, if there be one, pays the rent required to be paid by such tenant).

At closing, Purchaser shall receive any manufacturers' warranty certificates with respect to equipment and appliances installed in the Unit and Sponsor shall assign any warranties with respect to equipment and appliances installed in the Common Elements to the Board of Managers.

No escrow will be established for unfinished items. All representations under the offering Plan and such additional obligations under the offering Plan which are to be performed subsequent to the closing date will survive delivery of the deed.

Until all Units have been separately assessed, all post-closing amendments will disclose the amount of funds deposited in escrow for the payment of real estate taxes.

XII. CLOSING COSTS AND ADJUSTMENTS

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

1. Title insurance charges, if ordered, are shown in the table below for the cheapest and most expensive Units. They are in accordance with the schedules of rates set by the New York State Land Title Association and filed with the New York State Department of Insurance. The title policy premiums and the recording charges set forth herein are for informational purposes only and are in effect as of the date of this Offering Plan, and may be increased by the Title Company, state, county or municipality.

The first \$35,000 of the title insurance will be \$402. Each additional \$1,000 of insurance or fraction thereof will be charged: at \$6.67 from \$35,001 to \$50,000, at \$5.43 from \$50,001 to \$100,000, at \$4.36 from \$100,001 to \$500,000, at \$3.98 from \$500,001 to \$1,000,000, and \$3.66 from \$1,000,000 to \$5,000,000. Title insurance per the TIRSA Rate Manual will be charged at 70% of the total of the above owner's policy rate as same is the bulk rate applicable to condominiums.

If a Purchaser obtains a mortgage for a Unit, the first \$35,000 of loan policy title insurance will be \$344. Each additional \$1,000 of insurance or fraction thereof will be charged: at \$5.55 from \$35,001 to \$50,000, at \$4.54 from \$50,001 to \$100,000, at \$3.64 from \$100,001 to \$500,000, at \$3.31 from \$500,001 to \$1,000,000, and \$3.05 from \$1,000,000 to \$5,000,000.00.

Below are sample figures for the cheapest and most expensive Units, for informational purposes only.

WITHOUT MORTGAGE			WITH MORTGAGE		
Purchase Price	Title Insurance	Mortgage Amount (80%)	Fee Insurance	Mortgage Insurance	Total
\$2,000,000.00	\$8,168	\$1,600,000	\$8,168	\$1,679	\$9,847
\$2,250,000.00	\$9,266	\$1,840,000	\$9,266	\$1,898	\$11,164

2. Approximately \$200.00 recording fee for the deed and approximately \$175.00 for recording the Unit Power of Attorney.

3. In the event the Purchaser shall obtain a purchase money mortgage, he shall pay at the closing of title the sum of the following costs: recording fees for the mortgage of approximately \$225.00 and mortgage tax (subject to certain possible adjustments), up to \$500,000 is 1.925% of the principal amount of the mortgage minus a \$30.00 credit as the Unit

is a single-family home, and if the mortgage is over \$500,000 the rate is 2.175% minus a \$30.00 mortgage, title policy charges, lending institution's attorney's fees, origination fees, mortgage application fees, and credit reporting fees. If applicable, a portion of the mortgage recording tax set forth above will be computed in accordance with Section 339-ee, subsection 2, of the New York Condominium Act, and shall be paid to the Sponsor in reimbursement of mortgage recording taxes which the Sponsor will have previously paid in connection with any existing mortgages on the Condominium property. In addition, the Purchaser may be required by the lending institution to post with the lending institution a deposit towards the payment of real estate taxes based upon a multiple of estimated monthly real estate taxes which will vary with the closing date.

4. Purchaser must pay the New York City Real Property Transfer Tax ("RPT Tax"), which currently, for the purchase of a single Residential Unit, is 1% of the Purchase Price of a Unit if such Purchase Price is \$500,000 or less and 1.425% of the Purchase Price if such Purchase Price is over \$500,000; and the New York State Real Estate Transfer Tax ("NYS Tax"), presently \$2 for each \$500 (or part thereof) of the Purchase Price of a Unit. For purposes of calculating the taxes payable, the amounts of such taxes which are the primary obligation of the seller but are paid by the Purchaser will be included in the consideration subject to tax. Also, Purchaser shall be responsible for any title company fees, E-tax form, RPT filing fees, and/or ACRIS fees, associated with the preparation and/or recording of the transfer tax documents.

If the purchase price of a Unit is \$1,000,000.00 or more, the Purchaser shall also be obligated to pay the New York State Additional Tax pursuant to Article 31 of the Tax Law, commonly referred to as the "Mansion Tax," currently one (1%) percent of the purchase price, which by law is the primary obligation of the Purchaser.

5. Two (2) months Common Charges to be paid to the Condominium towards the Working Capital Fund. While Sponsor is in control of the Board of Managers the Working Capital Fund will not be used to reduce the Common Charges. If any portion of the Working Capital Fund is used during this period to pay for items in the budget set forth as Schedule B, such amounts will be repaid to such fund out of Common Charges collected.

6. At closing, the Purchaser must pay the Sponsor's attorney fee in the amount of \$2,500.00 to reimburse Sponsor for a portion of its legal fees incurred in connection with the closing of title of the Purchaser's Unit. If Purchaser obtains financing and the lender is unwilling to close at the office of Sponsor's Counsel (or such other place as Sponsor may designate in its closing notice,) the closing may be held elsewhere in New York City provided that an additional travel fee is paid to Sponsor's counsel equal to: (1) \$500 if the closing is held elsewhere in Manhattan, and (2) \$750 if the closing is held outside Manhattan. In addition: (a) if the closing is adjourned through no fault of the Sponsor, the Purchaser will be required to pay to Sponsor's Counsel and additional fee of \$250 for each adjournment to defray the cost of scheduling, preparing for, and coordinating the new closing; (b) if Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of the Purchase

Agreement, or for the addition, deletion, or substitution of names on the Purchase Agreement, Purchaser shall pay Sponsor's Counsel a fee of \$500, payable in advance, for preparation of an assignment agreement; (c) if Purchaser obtains mortgage financing, Purchaser shall pay an additional fee of \$500 to Sponsor's counsel to defray the additional cost associated therewith. Purchaser may be required to pay more than one fee with respect to a single Unit pursuant to the preceding provisions of the paragraph. Each Purchaser shall be responsible for the payment of fees to his/her own attorney.

7. In the event the Units have not been separately assessed for real estate purposes prior to the closing of title to the first Unit, Purchasers will be required to pay to Sponsor an amount equal to the then applicable taxes of the estimated unpaid real estate taxes which will be levied against the parcel until the Units are separately assessed. Sponsor on behalf of the Board of Managers will place said monies in an escrow account maintained by the Escrow Agent and will pay the real estate taxes from the escrow account when the taxes are due and payable. In the event the actual taxes are greater than the amount collected, Sponsor shall be entitled to a pro rata share of the additional taxes from each such Unit owner.

8. The Sponsor has chosen Infinity Land Services LLC ("Infinity"), 974 East 27th Street, Brooklyn, NY 11223, (718) 338-4200, to insure all titles and mortgages at closing. There is no restriction on which title company purchasers may choose to insure title. However, Purchasers must notify Sponsor's attorney in writing if another title company will be used to insure title. Furthermore, a title company chosen by Purchaser, other than Infinity, must agree to submit all real estate tax forms, deeds, powers of attorney, satisfactions or partial releases of mortgage, and/or other instruments that must be recorded in connection with the conveyance of a deed to a Unit Owner and all transfer taxes due in connection therewith and will be obligated to indemnify Sponsor, or if such title company refuses then Purchaser's attorney will be required to indemnify Sponsor, for such title company's failure to file such forms and/or failure to remit the required transfer taxes in connection therewith in a timely manner

9. Each Purchaser shall pay the Sponsor the sum of not more than \$500.00 per unit for final "as built" plans. Each Purchaser shall also reimburse part of the Sponsor's cost for engineering, architect, legal fees and other expenses to create the Condominium, in the amount of \$4,500.00. Therefore, each Purchaser shall be obligated to pay \$5,000.00 at closing for these charges in addition to the Purchase Price and other customary adjustments, including water charges and sewer rents, which shall be adjusted on a per diem basis.

The Sponsor anticipates that the only items which will be apportioned at the closing of title to the Units will be liability insurance, real estate taxes, sewer charges, if any, and common charges, if they have been declared by the Board of managers. Tax adjustments will be made as of 11:59 P.M. on the day preceding the closing date. In the event there are any other items which are to be apportioned at closing, if practicable, the Sponsor will advise the Purchaser in writing of such items at least one day before the closing. The "Customs in Respect of Title closings" recommended by the Real Estate Board of New York, Inc., as amended to date,

shall apply to the adjustments mentioned except as otherwise provided in the Plan and Purchase Agreement.

Estimated closing costs

Below is a list of closing costs. Estimates are based on the highest-priced Residential Unit (\$2,250,000.00), but are not warranties or guarantees.

Title insurance (\$2,250,000 fee, with 80% mortgage)	\$11,164.00
Recording of deed, unit power of attorney, mortgage	650.00
Municipal, departmental, and abstract search	600.00
Mortgage tax on \$1,800,000 (1.925%*** - \$30)	34,620.00
New York State transfer tax	9,000.00
New York City transfer tax	32,062.50
Mansion Tax	22,500.00
Working Capital Fund (2 mos common charges)	1,674.32
Sponsor's attorney fee	2,000.00
Sponsor's creation cost	5,000.00
Miscellaneous title fees	4,500.00
Total	\$ 123,770.82

*** The full mortgage tax rate is 2.175% but lenders generally pay .25% of the mortgage tax.

XIII. RIGHTS AND OBLIGATIONS OF THE SPONSOR

The obligations of Sponsor under the Plan and applicable law with respect to this offering include, but are not limited to, the following:

Sponsor will endeavor in good faith to sell rather than rent the Units. However, Sponsor is retaining the unconditional right to rent rather than sell the Units after the Plan is consummated. As a result, 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. In addition, non-resident owners, including Sponsor, have no investment in their Residential Units and therefore, do not share the same economic interests as Unit Owners in the maintenance and care of the Building's facilities and amenities and owner-occupants and non-resident Unit Owners, including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing (i.e., purchase as a home as opposed to as an investment). If Sponsor makes a bulk sale of all or some of its unsold Units, the transferee successor Sponsor shall be bound by the representations and obligations and will be entitled to all benefits of Sponsor as disclosed in this Plan.

Sponsor will perform such work and supply such materials, or will cause same to be performed and supplied, as is necessary in order to complete the construction of the building with a quality of construction comparable to the currently prevailing local standards and substantially in accordance with the plans and specifications for the work filed with the Department of Buildings of the City of New York and other appropriate governmental authorities.

Sponsor reserves the right, without prior notice to Purchasers or amendment of the Plan (but subject to obtaining any required approval(s) of any governmental authorities having jurisdiction), to; (a) amend from time to time any of the Plans and Specifications (including changes in layouts and designs and changes affecting the material, appliances, equipment and fixtures and other construction details); and/or (b) substitute materials, appliances, equipment and fixtures that are of equivalent or better quality and design in place of those described in the plans and specifications. Any such change, if material (for example, variations in square footage in excess of 10%), shall be disclosed by Sponsor in a duly filed amendment to the Plan and, when applicable, to the Declaration. No such change will be made if the same would materially adversely affect any Purchaser under an Agreement which has been countersigned by Sponsor and returned to the Purchaser unless the same is dictated by construction conditions at the Property (such as coordination of Building systems, conflicts with structural members or elements, conforming with Legal Requirements, unforeseen events, etc. and in all cases, in good faith, reasonably necessary due to factors not within Sponsor's control, and where no practicable (in the exercise of sound construction management practices) alternative exists, and in such event, Sponsor will, in the amendment disclosing such material adverse change, offer the affected Purchaser(s) the right, for at least 15 days, to rescind their Purchase Agreement(s) and receive a refund of their Down Payment(s), together with any interest earned thereon, if applicable. However, as long as the layout and dimensions of a Unit conform substantially to the plans and specifications, a Purchaser will not be excused from purchasing a Unit by reason of a minor, non-material deviation or change and will not have any claim against Sponsor as a result thereof.

The first year of Condominium Operation is estimated to be January 1, 2018 through December 31, 2018. Purchasers should note that even if the first closing occurs on or before January 1, 2018 (or such other date projected as the date of commencement of the operation at the time the purchase agreement was entered into) or within the twelve-month period thereafter, the closing of subsequent units may be substantially delayed beyond such dates. In such case, provided that Sponsor is diligently pursuing completion of construction 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** Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the Purchase Price for his or her Unit or otherwise be relieved from any obligations under the Purchase Agreement, in the event the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed, or postponed by Sponsor. However, in the event the actual or anticipated commencement date of the projected First Year of Condominium Operation is to be delayed by six months or more, Sponsor will amend the Plan to include a revised budget with current projections and if: (i) the amended budget exceeds the projected budget set forth herein by 25% or more; or (ii) the First Closing does not occur within 12 months after the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation, then in either case, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Purchase Agreements, if the Plan has been declared effective) the right to rescind their Purchase agreements within not less than 15 days after the presentation date of the amendment containing such revised budget or after such 12-month period, as the case may be, and any Purchasers electing rescission pursuant to such offer will have their Down Payment returned. Purchasers' rights as described in the preceding sentence are in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which shall be deemed to have been waived by all Purchasers. As set forth in the Section of the Plan entitled "Effective Date," no closing of title to any Unit will take place prior to the Plan being declared effective.

This Building will not have a new certificate of occupancy as per the NYC Housing Maintenance Code Section 27-2089 requirements for re-occupancy of vacant multiple dwellings. This provision of the code requires that any multiple dwelling if vacant for 60 days or more must obtain a new Certificate of Occupancy prior to being reoccupied, except in certain narrow conditions that do not apply to this Building. It is therefore a Special Risk that no new certificate of occupancy will be obtained. The Department of Buildings may at any time require that the Building be vacated until the certificate of occupancy is filed for and properly obtained. However, notwithstanding the foregoing, Sponsor or its representatives will correct, repair or replace all defects in the construction of the Building and its appurtenances and the Units offered hereby, or in the installation or operation of any appliances, fixtures or equipment in the same, or will cause the same to be corrected, repaired or replaced, but only if such defects are due to improper workmanship or material substantially at variance with Plans and specifications, and Sponsor is notified by the Board or the affected Unit Owner in writing of such defect: (i) as to the Common Elements, within one year from the date of substantial completion of the portion(s) of the Common Elements which is claimed to be defective; or (ii) as to any Unit, on or

prior to the date of closing for such Unit, except that if any such defect in a Unit can be detected only by the occupancy of the Unit, Sponsor will correct such defect if notified in writing, by the Unit Owner within one year from the earlier of the closing of title to such Unit or the commencement date of an interim lease for such Unit. However, notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in construction or installation or operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings (however denoted) from contractors, materialmen or others are assigned to the Board or Unit Owners; or for any condition resulting from normal wear and tear or natural deterioration or from normal settling or shifting of the Building, or for defects of an insubstantial nature, such as, without limitation, partial or total demise of any landscape improvements, nail pops, ridging on gypsum board or sheet rock walls, lumber shrinkage, doors or windows sticking due to weather, door warpage, grouting cracks, scratches in formica or porcelain surfaces, bath and kitchen tile grouting cracks, adjustment of any bi-fold doors, walls not square, electrical plates not straight, discolorations or shrinkages, normal settlement and deflection or any consequential damage resulting therefrom including, without limitation, cracks in any concrete roof pavers, or concrete cracks which do not impair the structural soundness of the Building, ceiling imperfections, slight separation in joints of kitchen tile or wood flooring, warping, cupping or creaking of wood flooring, or any nicks, scratches, gouges, imperfections or discolorations thereof, floors out of level, variations in width, length or tone of wood floor strips or other flooring or floor finishes, also normal shrinkage or expansion of wood flooring due to changes in moisture content of wood, painting defects, alignment of bathroom finishes, air infiltration from windows, any consequential damage resulting from settling (including, without limitation, concrete or drywall cracks which do not impair the structural soundness of the Building), normal plumbing, heating and air conditioning noises, or carpet discoloring and stretching; or for paint touch-ups or for repair of chips, mars, breaks or other defects in windows and window sashes, sliding glass doors, lighting fixtures and globes, interior painted surfaces, sinks, tubs, bowls, shower doors, kitchen cabinets, counter tops, vanity tops and bases, medicine cabinets, doors, mirrors, saddles, appliances, woodwork, doors, hardware, flooring and appliance cabinets, salting, or color variation in exterior colored mortar and deep colored brick, ponding and/or controlled drainage on the roof surface, or cracks in any pressure treated wood or redwood used or intended for use outside the Building. Sponsor shall be obligated to repair only abnormally chipped stone, formica and porcelain surfaces, which repair shall be made by filling the stone or formica or refinishing the porcelain, but Sponsor shall not be obligated to replace such stone, formica or porcelain surfaces. Except as expressly set forth herein, Sponsor has no obligation to make any repairs of any kind. In no event shall Sponsor be liable for special or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise), it being intended that Sponsor's sole obligation under the Plan shall be to repair, or at Sponsor's option, replace any defective item of construction (whether arising as a result of defects in material or improper workmanship or material substantially at variance with the Plans and specifications), subject to the terms and conditions set forth in this paragraph, provided, however, that nothing contained herein is intended to relieve Sponsor of liability for actual damages resulting from property damage or personal injury arising as a result of negligence of Sponsor or its authorized agents or employees in connection with the transaction contemplated in the Plan.

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

Each Unit offered hereby and the fixtures and personal property contained herein, are being sold and delivered "AS IS", as described in the Plan at the time of transfer of title to such Unit, unless Sponsor and the Purchaser of such Unit otherwise agree in writing. The Purchaser of a Unit shall inspect such Unit prior to the closing date and shall execute at such time an inspection statement acknowledging the Purchaser's acceptance of the Unit in good condition and in accordance with the terms of the Plan. However, if a Purchaser finds that Sponsor's improvements as described in the Plan or in the Agreement for such Unit or other writing duly executed and delivered by Sponsor, have not been fully completed, although such improvements have been substantially completed, then Sponsor or its designated representative and the Purchaser will at the time of such execution agree upon and set forth in the inspection statement a list of the incomplete work to be completed in the Unit by Sponsor following the closing for such Unit.

The Sponsor agrees to warrant the materials or workmanship of each Unit (and limited common elements) or common elements. The Housing Merchant Implied Warranty Law (GBL Article 36-B) applies to this Plan, the Units and the Common Elements. All other warranties are excluded. Regardless of any limitations in the warranty, or in this Plan, Sponsor is obligated to construct the Premises in accordance with all applicable codes, filed plans, and specifications, and any conflict between the disclaimers and Sponsor's obligation to construct the Premises in accordance with all applicable codes, filed plans and specifications shall be resolved in favor of the latter. The warranty being given by Sponsor and a copy of the statute is included in Part II of the plan. The warranty is extended only to the first purchaser of a Unit, not subsequent purchasers. The implied warranty has the following features:

FIRST YEAR BASIC COVERAGE: for one year from the Effective Date of the Warranty which is the earlier of the date of the transfer of title to the purchaser or the date on which any person takes residential occupancy. The performance standards cannot limit the Sponsor's warranty in a manner inconsistent with the requirements of law. The Unit will be free from latent defects that constitute:

- (a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;
- (b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller;

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller; or

(d) defective installation of appliances sold as part of the Home by the Seller or an agent, employee or subcontractor of the Seller.

TWO YEAR MAJOR SYSTEM COVERAGE: for two years from the Effective Date of the Warranty, the Plumbing, Electrical, Heating, Cooling and Ventilation Systems of the Home which have been installed by the Seller are warranted to be free from latent defects resulting from defective installation by the Seller.

SIX YEAR MAJOR STRUCTURAL DEFECT COVERAGE: for six years from the Effective Date of the warranty, the Home will be free from latent Major Structural Defects that result from:

(a) defective workmanship by the Seller, or an agent, employee or subcontractor of the Seller;

(b) defective materials furnished by the Seller, or an agent, employee or subcontractor of the Seller; or

(c) defective design, provided by an architect, engineer, surveyor, or other design professional retained exclusively by the Seller.

At the closing of the 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.

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.

The Sponsor agrees to deliver a set of "as-built" plans to the Board of Managers. No bond or other security has been furnished to secure Sponsor's obligations, including Sponsor's obligations to complete construction of the Condominium.

Sponsor has the right of access at any time to complete construction of the Condominium, or in the event of a threat to life, health or property. If possible, all such access shall be scheduled at the Unit owner's convenience. Sponsor is responsible to repair any damage caused by such access.

Real Property Law §339-kk

Although Sponsor does not anticipate allowing interim leasing by prospective Purchasers, in the event Sponsor does Subsection kk to Section 339 of the Real Property Law ("RPL"), a copy of which is set forth in Part II of the Plan, which was enacted into law July 22, 1998, shall govern said interim lease. If Sponsor decides to offer interim leases to prospective purchasers, Sponsor will amend the Plan to disclose the terms of the interim lease(s). RPL §339-kk is applicable to all condominiums in the State of New York. RPL §339-kk is intended to provide additional financial protection for a condominium association if a sponsor or other non-occupant Unit owner of a Unit fails to make monthly payments for Common Charges, assessments and late fees due in connection with such owner's Units.

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

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

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

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

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

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

RPL §339-kk does not address a number of issues. Accordingly, Sponsor makes no representation as to (i) RPL §339-kk's effect on the lien priority of a loan heretofore or hereafter

made to a non-occupant owner and secured by the Unit, or whether RPL §339-kk's enactment or compliance therewith by a tenant constitutes a default by the Unit owner under said loan, (ii) RPL §339-kk's effect on assignments of leases and rents given by a non-occupant owner to a mortgagee in connection with purchase-money financing or otherwise, (iii) the Condominium's remedies if a tenant fails or refuses to make rental payments to the Condominium Board after notice from the Condominium Board (in accordance with RPL §339-kk) to do so, (iv) the consequence of the Condominium Board's failure to give notice to a tenant (i.e., does failure constitute a waiver of the Condominium's rights?), or (v) who is responsible for designating an agent to whom rental payments are to be made after the non-occupant Unit owner is brought current in payment of common charges, assessments and late fees.

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

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

Payment of Expenses

Sponsor will bear all costs and expenses incurred by it in connection with the preparation of the Plan and all selling expenses and compensation payable to sales or other personnel of Sponsor, subject to Section XII, "Closing Costs and Adjustments", of the Plan. In the event that there are title encumbrances (other than Permitted Encumbrances annexed to the Purchase Agreement as Exhibit A and mortgages) affecting the Property at the time of the First Closing, Sponsor shall cause such encumbrances to be cured, remedied and removed, at its sole cost and expense, at or prior to the First Closing or within a reasonable time thereafter. Sponsor's obligation to cure defects in title or damage or destruction of the building may only be a basis for abandonment after the Plan is declared effective unless (i) a defect in title cannot be cured without litigation or cannot be cured for less than 1% of the total offering price for all the Units; (ii) substantial damage or destruction of the Building by fire or other casualty which cannot be cured for less 1% of the total offering price for all the Units; or (iii) the taking of any material portion of the Property by condemnation or eminent domain. However this amount, relied upon as basis for abandonment after effectiveness, excludes 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. The existence of any such encumbrances will not constitute an objection to title or excuse any Purchaser from completing payment of the balance due under his Purchase Agreement (without provision for escrow), provided that Sponsor furnishes adequate proof to the Title Company that such encumbrance has been remedied or deposits a reasonable sum to secure Sponsor's obligation to cure and remedy such encumbrance subsequent to the First Closing as determined by the Title Company. At Sponsor's request, the sums so deposited shall be applied towards payment of the cost of curing or remedying the title defect. If a Purchaser's title insurance company refuses to grant affirmative insurance and the Title Company chosen by Sponsor, First American, would have been willing to grant said affirmative insurance at its regular rates without additional premium,

neither such lack of affirmative insurance nor the existence of the liens in question will constitute a valid exception to title.

Assignment of Warranties

At the closing of the Unit, Sponsor will deliver, assign, or otherwise grant to the Board, on behalf of all the Unit Owners, the right to proceed under any assignable warranties and other undertakings received by Sponsor from its contractors, suppliers or others in connection with the construction and equipping of the Building, except that warranties and undertakings received by Sponsor which relate to appliances, equipment or fixtures located in any Unit shall be assigned to the Purchaser of such Unit on the date of closing of title thereto. Certain warranties with respect to the Building will be held by the Board on behalf of all Unit Owners as to whose Units such warranties pertain. Upon the recording of the Declaration the Board will assume the same and indemnify the assignor against all claims and liability thereunder that relate to matters and events occurring on or after the day upon which the Declaration was recorded.

Certificate of Occupancy

This Building will not have a new certificate of occupancy as per the NYC Housing Maintenance Code Section 27-2089 requirements for re-occupancy of vacant multiple dwellings. This provision of the code requires that any multiple dwelling if vacant for 60 days or more must obtain a new Certificate of Occupancy prior to being reoccupied, except in certain narrow conditions that do not apply to this Building. It is therefore a Special Risk that no new certificate of occupancy will be obtained. The Department of Buildings may at any time require that the Building be vacated until the certificate of occupancy is filed for and properly obtained.

Following the last closing Sponsor will deliver to the Board a complete set of architectural drawings and a complete set of mechanical, electrical, plumbing and sprinkler "as-built" drawings for the entire Building.

Payment of Common Charges and Real Estate Taxes

Sponsor agrees to pay all common charges, special assessments and real estate taxes attributable to the Unsold Units in accordance with the provisions of the By-Laws. Sponsor expects to have the financial resources to meet the aforesaid obligations with respect to Unsold Units and fund same from income from projected sales, the rental or leasing of Unsold Units and Sponsor's other financial resources. No bond or other security has been posted to secure its obligation to pay Common Charges, special assessments or real estate taxes with respect to Unsold Units.

Release of Mortgage(s)

Sponsor has obtained construction financing from First Niagara Bank, NA. If the loan(s) will not be satisfied at or prior to the First Closing, as of the First Closing, the lender will either: (i) consent to the formation of the Condominium and acknowledge that its lien will be limited to Unsold Units; (ii) subordinate the lien of its mortgage to the Declaration; or (iii) release its lien on the Unit being conveyed.

Insurance

Sponsor shall initially procure on behalf of the Board, to take effect on or before the date of the First Closing, the insurance relating to the Condominium which is required to be maintained by the Board in accordance with the provisions of the By-Laws. The cost of said insurance has been reflected in the Projected Budget set forth as Schedule B in Section V of this Plan. Such required coverage(s) may be satisfied by a so-called builder's risk policy obtained by Sponsor in connection with the construction of the Building, provided the limits and terms of coverage set forth in Schedule B are provided under such policy. To the extent any such policy obtained and paid for by Sponsor shall satisfy the insurance requirements of the Board for the Condominium in respect of any period following the First Closing, the Board shall reimburse Sponsor for its prorated share of the cost of such coverage.

Right of Access

Sponsor and its contractors, subcontractors, agents, and employees will have a right of access to each Unit and to all of the Common Elements for the purpose of fulfilling Sponsor's obligations under the Plan, performing certain alterations and repairs in or about the Unsold Units and exercising its other rights or performing its other obligations under the Plan. Sponsor will repair any damage caused as a result of such access and will use reasonable efforts to exercise such access in such a manner as will not unreasonably interfere with the use of any Unit for its permitted purposes.

Dissolution

In the event of the dissolution or liquidation of the Sponsor, or the transfer of three (3) or more Units in the Condominium, to a single Purchaser, the principals of Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of Sponsor for those Units under the Plan and applicable laws or regulations (including without limitation, Sponsor's representation that it will endeavor in good faith to sell the Units offered hereunder but subject to the reservation of the unconditional right to rent or lease, rather than sell, such Units).

Leasing and Use of Unsold Units

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

Purchasers or any other persons entering into a lease or use and occupancy agreement for a Unit shall be required to pay the legal fees of Sponsor's counsel in connection therewith upon execution of the lease or use and occupancy agreement. All other charges or other fees due under a lease or use and occupancy agreement shall be adjusted as of the Closing to the Unit. Notwithstanding any of the foregoing, Sponsor shall be under no obligation to enter into any lease or use and occupancy agreement. Sponsor anticipates that the lease or use and occupancy agreement will not be subject to governmental regulation.

Sponsor or its designee reserves the right to use or occupy itself (for such rent and term and on such other conditions as may be agreed to between such parties) any Unit not yet conveyed and occupied or to withdraw Units from the market. Sponsor's right to rent, rather than sell Units once they become vacant is unconditional and exercisable in Sponsor's sole discretion. Accordingly, it is possible that a significant proportion of Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Unit Owners. Because there is no commitment on the part of Sponsor to sell more than fifteen percent (15%) of the Units, as needed to declare the Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Units. The By-Laws require that members of the Condominium Board be owner-occupants of a Unit. Owner-occupants and nonresident owners (including the Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase for a home as opposed to purchase for investment.

Sponsor and its designee reserve the right, without prior notice or amendment to the Plan, to use Unsold Units on any floor of the Building as sales and rental offices and model apartments for the Building and other buildings. In the event Sponsor or its designee thereafter elects to sell any

such Unsold Units, Sponsor or its designee may require the Purchaser thereof to purchase all or any of the furnishings, equipment or decorations therein and pay, in addition to the Purchase Price for such Unit, such amounts as Sponsor may determine. In no event shall the presence of any furniture, furnishings, equipment or decorations in any model apartment or Common Element or in any advertisements with respect thereto, imply or represent that any Unit or Common Element will contain such furniture, furnishings, equipment or decorations upon delivery of the Unit to the Purchaser of the Unit unless such Purchaser agrees to pay Sponsor an amount as determined by Sponsor in addition to the Purchase Price for such Unit.

Risk of Loss

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

General

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to any Unsold Units (for so long as Sponsor owns same) and any other obligations set forth in this Plan on the part of Sponsor to perform, the foregoing sets forth the entire extent of the obligations of Sponsor hereunder and none other shall be implied, except that nothing contained herein shall be deemed to limit the rights of Purchasers under their respective Purchase Agreements. Sponsor agrees to pay all Common Charges, special assessments and real estate taxes with respect to the Unsold Units. Sponsor represents that it has the financial resources to meet its obligations respect to the Unsold Units. Sponsor intends to meet its obligations to the Condominium through proceeds from the sale of Units and rental income from Non-Purchasing Tenants. Sponsor makes no representations or warranties other than as set forth in this Plan. The obligations of Sponsor under this Plan and Article 23-A of the General Business Law shall survive the delivery of the deeds to the respective Units. Sponsor shall defend any suits or proceedings arising out of

sponsor's acts or omissions and shall indemnify the Board of Managers and the Unit Owners. However, Sponsor shall not be liable for, or obligated to defend, any suits or claims with respect to any Unit arising out of any occurrence taking place on or after the date of the closing of title to such Unit or the leasing thereof to any Purchaser or, with respect to the Common Elements, arising out of any occurrence taking place on or after the date of the First Closing, except suits or claims arising out of the acts of Sponsor or the representations made by Sponsor in this Plan. Sponsor makes no representation or warranty as to any work, materials, appliances, equipment or fixtures to be provided or performed by Sponsor or located at the Property other than as set forth in this Plan. Notwithstanding anything to the contrary set forth herein, nothing contained in the Plan shall be construed as to render Sponsor liable for consequential damages (whether based upon negligence, breach of contract, breach of warranty or otherwise) it being intended that Sponsor's sole obligation shall be to perform its obligations as expressly provided in the Plan.

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

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

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

XIV. CONTROL BY THE SPONSOR

The Sponsor shall control the board of managers for 2 years from the first closing or until 6 of the 8 (75%) Units offered for sale have closed, whichever is sooner. Upon such closing, a meeting will be held to elect new board members unrelated to the Sponsor within thirty (30) days of the expiration of the control period. The By-laws of the Condominium provide that after this 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.

After the Initial Control Period, Sponsor shall have the right to designate only one Board Member for as long as at least one Unit is owned by Sponsor.

Notwithstanding anything to the contrary set forth above, Sponsor will not exercise veto power over expenses described in Schedule B, or over expenses required (i) to comply with applicable laws or regulations; (ii) to remedy any notice of violation; or (iii) to remedy any work order by an insurer. Sponsor may exercise veto power over other expenses as more fully described below. The Condominium Board may not, without the consent of Sponsor, reduce or eliminate any services initially provided by Sponsor.

Notwithstanding anything to the contrary set forth above, in the event the regulations promulgated by the New York State Department of Law governing the conversion of newly constructed, vacant or non-residential condominiums are amended to provide that a Sponsor can elect a majority of its designated board members for a period in excess of five years, or if such regulations are finally determined to be unenforceable by a court of competent jurisdiction, provided that such Sponsor has a sufficient number of votes to cast a majority of the votes of the Unit Owners, then the aforesaid restrictions concerning Sponsor's rights to elect a majority of the Condominium Board shall no longer be effective and Sponsor shall have the same rights to vote its Common Interests as any other Unit Owner, whether or not Sponsor has previously been required to give up control of the Condominium Board.

Within thirty (30) days after the Initial Control Period, the applicable number of members of the Condominium Board which were designated by Sponsor shall resign and their replacement shall be filled by a majority vote of the members of the Condominium Board representing the Unit Owners (excluding members designated by Sponsor) at any regular meeting of the Condominium Board or at a special meeting thereof called for such purpose.

Nothing contained herein shall be deemed to limit the right of Sponsor to cast its votes for individuals nominated to the Condominium Board who are not nominated or designated by Sponsor, which individuals, if elected, shall not be deemed Sponsor nominees or designees and shall not be deemed to cause Sponsor to control the Condominium Board after the Sponsor Control Period. The number of members of the Condominium Board representing the Unit Owners may not be increased without the consent of Sponsor as owner of the Unsold Units for so long as there remain two Unsold Units.

Until Sponsor no longer designates a majority of the members of the Condominium Board, Sponsor will through its control of the Condominium Board have control of the Maintenance and operation of, and the services to be provided by, the Condominium and will determine the Common Charges to be paid by all Unit Owners.

The Condominium Board shall consist of three (3) members. The Condominium Board will call for a special meeting of the Unit Owners to elect a new Condominium Board (the "First Annual Meeting") no later than one (1) year after the First Closing, unless more than fifty percent (50%) of the Units are sold, in which case the First Annual Meeting will be called within thirty (30) days after the sale of fifty percent (50%) of the Units. The First Annual Meeting shall be held not less than 10 days nor more than 40 days after the sending of the notice. The number of Condominium Board members and the number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

Until Sponsor or its designee has conveyed title to all the Units, the Condominium Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit; (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund, if applicable; or (c) increase or decrease the number, or change the kind of, employees referred to in the Plan; (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium; or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

The members of the Condominium Board will have no liability to Unit Owners for errors of judgement, negligence or otherwise, except that individual members will be liable for their own bad faith or willful misconduct. The Condominium Board may contract or effect other transactions with any member thereof, with any Unit Owners, with Sponsor, or with any affiliate of any of them at competitive rates without incurring liability for self-dealing.

XV. BOARD OF MANAGERS

The affairs of the Condominium shall be governed by the Condominium Board, which shall be comprised of three (3) members. Initially, the Condominium Board may contain fewer members and shall be designated by Sponsor. No later than two (2) years after the First Closing, the Condominium Board will call for the First Annual Meeting of Unit Owners, such meeting to be held not less than 10 days nor more than 40 days after such date, unless more than fifty percent (50%) of the Units are sold, in which case the First Annual Meeting will be called within thirty (30) days after the sale of fifty percent (50%) of the Units. At the First Annual Meeting, the incumbent Condominium Board shall resign and the Unit Owners shall elect a new Condominium Board. (See the Section entitled "Control by Sponsor.") Thereafter, at each annual meeting, members of the Condominium Board shall be elected and shall serve until the next annual meeting thereof and until a successor has been elected and qualified. The Bylaws require that after Sponsor relinquishes control of the Board of Managers, a majority of the members of the Board of Managers must be owner occupants, unrelated and unaffiliated with Sponsor. The number of Condominium Board members and the number or composition of Condominium Board members may not be changed except in accordance with the procedures described in the By-Laws.

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

Until Sponsor or its designee has conveyed title to all the Units, the Condominium Board may not take any of the following actions without Sponsor's prior written consent (notwithstanding the number of votes Sponsor controls): (a) make any addition, alteration or improvement to the Common Elements or to any Unit; (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; (c) increase or decrease the number, or change the kind of, employees referred to in the Plan; (d) enter into any service or maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services; (e) borrow money on behalf of the Condominium (other than the indebtedness in connection with the Resident Manager's Unit); or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Sponsor's written consent is not necessary to perform any function or take any action described in items (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary, and no other alternative is available, to enable the Condominium Board to comply with laws, rules or regulations of any governmental authority having jurisdiction over the Condominium.

The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium. All other determinations with respect to the administration of the affairs of the Condominium shall be made by the Condominium Board.

As more fully set forth in the By-Laws all determinations required to be made by the Condominium Board shall be by majority of the votes cast at any meeting at which a quorum is present. At any Condominium Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of the Condominium Board.

Annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the First Annual Meeting. At such meetings, the Unit Owners shall elect the three Condominium Board, subject to any rights of Sponsor to designate Board members, and there shall also be transacted such other business as may properly come before such meetings. In addition, special meetings may be held from time to time pursuant to the By-Laws. The Secretary of the Condominium Board shall mail a notice of each annual or special meeting of the Condominium to all Unit Owners of record. The notice, which will generally be given at least ten (10) days prior to any such meeting, shall state the purpose of the meeting as well as the time and place where it is to be held.

At all meetings, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Sponsor or its designees with respect to Unsold Units) shall be entitled to cast one vote for each Unit said Unit Owner owns.

The principal officers of the Condominium Board shall be a President, Vice President, Secretary, Treasurer, all of whom shall be elected by the Condominium Board. The initial member of the Condominium Board shall be Amit Stern or his designee. Amit Stern is a principal of the Sponsor or its principals. The Condominium Board may appoint additional officers. Except as otherwise provided by the Condominium Board for which such officer serves, no officer shall receive any compensation for acting as such. The By-Laws provide that all instruments of the Condominium Board are to be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board.

The term of office of the members of the Condominium Board shall be for one year or until their successors are elected. Any member of the Condominium Board may resign at any time by written notice hand delivered or sent by certified mail, return receipt requested, to the President or Secretary of the Condominium Board. Notwithstanding the term of such member's office, such resignation shall take effect at the time specified therein.

A member of the Condominium Board designated or elected by the Unit Owners may be removed with or without cause by an affirmative vote of a Majority of Unit Owners (as defined in the By-Laws) who are present at a meeting containing a quorum of Unit Owners; provided, however, that Condominium Board members designated by Sponsor may only be removed with cause and replaced by another Sponsor designee. No member of the Condominium Board shall continue to serve on the Condominium Board if, during such Unit Owner's term of office, said member shall cease to be a Unit Owner or an interested party as described in the By-Laws; provided, however, that

this provision respecting Unit ownership and Condominium Board membership shall not apply to members of the Condominium Board designated by Sponsor or its designee.

Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed with or without cause. A successor officer may be elected at any regular Board meeting or at any special Board meeting called for such purpose.

To the extent permitted by applicable Law, no member of the Condominium Board shall have any personal liability with respect to any contract, act or omission of the Condominium Board or of any managing agent or manager in connection with the affairs or operation of the Condominium (except in their capacities as Unit Owners). Condominium Board members shall have no liability to Unit Owners except that a Condominium Board member shall be liable for such Unit Owner's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor, Sponsor's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

Generally, subject to certain exceptions concerning, among other things, Sponsor, and provided that required consents of the Mortgage Representatives, if any, are obtained, any provision of the Declaration, By-Laws or Rules and Regulations may be amended, modified, added to or deleted by affirmative vote of at least 66 2/3% in number and in Common Interest of all Unit Owners, provided, however, that the Common Interest appurtenant to each Unit may not be altered without the written consent of all Unit Owners directly affected thereby.

Notwithstanding any provision contained in the By-Laws to the contrary, no amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of Sponsor or its designee or the owner of any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Sponsor or its designee or the owner of any Unsold Unit, or otherwise adversely affecting Sponsor or its designee or the owner of any Unsold Unit or (b) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Unit with respect to any amendment, modification, addition or deletion of or to the By-Laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit.

As more particularly set forth in the Special Risk Section and the Section of the Plan entitled "Rights and Obligations of Sponsor", it is possible that a significant portion of Unit Owners will not be residents of the Building and that a significant portion of tenants in the Building may not be Unit

Owners. Because there is no commitment on the part of Sponsor to sell more than fifteen percent (15%) of the Units, as needed to declare the Plan effective, owner occupants may never gain effective control and management of the Condominium and may have difficulty in financing or reselling their Units. The By-Laws require that members of the Board be owner-occupants of a Unit. Owner-occupants and nonresident owners (including the Sponsor) may have inherent conflicts on how the Condominium should be managed because of their different reasons for purchasing, such as a purchase of a home as opposed to a purchase for investment.

In exercising its powers and performing its duties under the Declaration and the By-Laws, the Condominium Board is required to act in good faith as, and shall be, the agent of the Unit Owners the Condominium Board represents, subject to and in accordance with the provisions of the Declaration and the By-Laws.

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

Sales and Leases of Units

Each Unit Owner may sell or lease such Unit Owner's Unit provided such Unit Owner (the "Transferor") first gives the Condominium Board, on behalf of all Unit Owners, notice of such Unit Owner's intention to sell or lease such Unit and an opportunity to purchase or lease such Unit at the same price or rental and on the same terms as were offered in good faith by a prospective purchaser or lessee, as more specifically provided in the By-Laws. If the Condominium Board does not elect to purchase or lease the Unit within twenty (20) days after receipt of the offering Unit Owner's notice, or waives such election in writing, the Transferor will have an additional sixty (60) days to enter into a written agreement with the prospective purchaser or lessee, as the case may be, embodying the terms set forth in said notice. In the event such written agreement is not executed by the Transferor within said sixty-day period or such sale or lease is not consummated within an additional sixty days following the expiration of said sixty-day period, the Transferor will be required to again first offer the same to the Condominium Board, provided that the Condominium Board shall be entitled to waive, or to permit an extension of, either or both of such sixty day periods. The Condominium Board may not exercise its option to purchase or lease any Unit without prior approval of a majority in interest of Unit Owners present in person or by proxy and voting at a meeting at which a quorum is present. In any vote of all the Unit Owners, the Transferor shall have the right to vote in any vote conducted by the Condominium Board for the purpose of determining whether the Condominium Board shall exercise its right of first refusal to purchase or lease the Transferor's Unit. Any such deed given by a Transferor shall provide that the acceptance thereof by the grantee shall constitute an assumption of the provisions of the Declaration, the By-Laws and the Rules and Regulations, as the same may be amended from time to time. Any such lease shall be consistent with the By-Laws and shall provide that it may not be materially modified, amended, or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign the lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board, and that the Condominium Board, if permitted by applicable law, shall have the power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of default by the tenant in the performance of such lease. The form of any such lease shall be a printed, reasonably applicable form of residential lease approved by the Condominium Board which is generally accepted in New York City such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, except for such changes therein as provided in the By-Laws and with such riders as the Condominium Board deems appropriate in its sole discretion.

Any purported sale or lease of a Unit in violation of this section shall be voidable at the election of the Condominium Board.

A Unit Owner may lease, sell or convey the Unit to a spouse, domestic partner, their children (natural and adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner, may convey such Unit Owner's Unit by gift, may devise such Unit Owner's Unit by will, or have it pass by intestacy, without complying with the

foregoing restrictions; provided, however, that each succeeding Unit Owner shall be bound by, and such Unit Owner's Unit shall be subject to, the preceding restrictions. In addition, any Unit Owner may lease, sell or convey the Unit to a related or controlled individual or entity, as more particularly set forth in the By-Laws. The Condominium Board shall have the discretion to require documentation relating to any such lease, sale or transfer be provided to the Condominium Board for its approval, in advance for the Board's attorney to review and any and all fees and expenses thereof shall be the responsibility and obligation of the Unit Owner to pay. Any lease entered into with a Unit Owner, as landlord, should not be subject to state or local rent laws with respect to rent or other terms but will be subject to laws applicable to all rental leases in the State and City of New York, such as requirements regarding warranties of habitability. Purchasers are advised to consult with their own attorneys regarding the legal ramifications of leasing a Unit.

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

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

A Unit may not be conveyed unless all unpaid Common Charges and liens against such Unit (other than Permitted Mortgages) are paid and/or satisfied at or prior to closing. In addition, the Condominium Board may establish reasonable fees for the processing of sale and lease notices, which shall be payable by the selling or leasing Unit Owner, as the case may be, to the Managing Agent.

Notwithstanding anything contained herein to the contrary, prior to the closing of title to a Unit, Purchasers are expressly prohibited from advertising, listing the Unit with a broker or otherwise offering, promoting or publicizing the availability of the Unit for sale or lease ("Advertising Activities"). If any Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an event of default under the terms of the Purchase Agreement, thereby entitling Sponsor any and all remedies under the terms of the Purchase Agreement. Purchasers are referred to the Purchase Agreement set forth in Part II of the Plan for further details.

Use of Units

Residential Units shall be used only as a residence (except as described below). The Board, may in its sole discretion, permit a Unit to be used for other purposes provided such use is permitted by Law, does not violate the then existing Certificate of Occupancy, if any, or a new one will be obtained by the Unit Owner, if required prior to changing its use, and complies with all applicable governmental regulations.

Notwithstanding the preceding paragraph, Sponsor or its designee may, without the permission of the Condominium Board (a) use or grant permission for the use of any Unsold Unit as a professional office or for any other purpose, provided such use is permitted by law, does not violate the then existing Certificate of Occupancy, if any, covering such Unit and the user of such Unit complies with all applicable governmental regulations and (b) retain ownership of one or more Units for use as models and sales, rental and/or promotion offices in connection with the sale or rental of other Units in the Condominium or in buildings in the vicinity in which principals of Sponsor may have an interest, if any.

Each Unit Owner shall notify the Condominium Board and the Managing Agent in writing when a child or children under the age of ten (10) years lives or resides (even temporarily) in the Unit. Each Unit Owner shall install at such Unit Owner's expense, the required window guards in all windows of the Unit. The Unit Owner shall Maintain all window guards installed in the Unit and shall not remove same until permitted by applicable Law and in any event, without full knowledge of the Condominium Board and the Managing Agent.

The current zoning Law permits a person who resides in a Unit to use up to 25% of the floor area of such Unit Owner's Unit (but in no event to exceed 500 square feet) for certain home occupations including a fine arts studio, professional offices (e.g., lawyer, doctor or dentist) and teaching of not more than four persons. No transient tenant may be accommodated in a Unit, except in Unsold Units, as permitted by law.

No nuisance, immoral, improper, offensive or unlawful use shall be allowed in the Building or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof relating to any portion of the Property shall be complied with at the sole expense of the respective Unit Owners or the Condominium Board, whoever or whichever shall have the obligation to Maintain or repair such portion of the Property.

No "For Sale," "For Rent," "For Lease" sign, or any other sign evidencing a similar purpose, or other window display or advertising shall be maintained or permitted in any Unit, except that these sign restrictions shall not apply with respect to Unsold Units.

No awnings, air conditioning equipment or ventilators shall be installed or modified in the Building without prior written approval of the Condominium Board. No radio or television aerial, satellites or other similar device shall be erected by Unit Owners on the roof or exterior walls, windows or terraces of the Building or on the Property, without obtaining in each instance the written

consent of the Condominium Board.

No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition, in the Condominium Board's sole discretion) may be kept in a Unit without the consent of the Condominium Board or the Managing Agent. In no event will a Unit Owner be entitled to maintain more than two (2) pets in any Unit without the consent of the Condominium Board. Each Unit Owner who keeps any type of pet in such Unit Owner's Unit will be required to abide by any and all reasonable Rules and Regulations of the Condominium Board adopted with respect thereto and may be required to enter into an agreement with the Condominium Board governing the maintenance of such pets and indemnifying and holding harmless the Condominium, all Unit Owners and the Managing Agent from all claims and expenses resulting from acts of such pet.

Each Unit Owner shall keep such Unit Owner's Unit in a good state of preservation and cleanliness and each Unit Owner shall be obligated to maintain and keep in good order and repair such Unit Owner's own Unit in accordance with the provisions of the By-Laws and the rules and regulations of municipal departments or agencies having jurisdiction thereof. The Rules and Regulations concerning the use of Units may be amended from time to time by the Condominium Board in accordance with the By-Laws provided that copies thereof are furnished to Unit Owners prior to the time that they become effective (except that no amendment thereof affecting the Unsold Units may be made unless agreed to by the Sponsor or its designee, as the case may be). Further restrictions on the use and leasing of Units are set forth in the By-Laws and Rules and Regulations.

Mortgage of Units by Unit Owners

Each Unit Owner may mortgage such Unit Owner's Unit, provided that the conditions with respect thereto set forth in the By-Laws are first complied with by him. As more fully set forth in the By-Laws, these conditions include the requirements that (a) the mortgage be substantially in the form of the New York Board of Title Underwriters form of mortgage, or such other form customarily used by lenders making loans secured by individual Units, and (b) the owner making such mortgage first satisfies all unpaid liens against such Unit Owner's Unit, other than Permitted Mortgages.

In certain instances the consent of the Mortgage Representative is necessary in order to amend the Declaration, By-Laws or Rules and Regulations. The By-Laws provide that no more than three Mortgage Representatives shall be designated by the holders of mortgages (a) which satisfy the conditions set forth in the By-Laws (as described above) and (b) which holders of such mortgages are (i) Sponsor or its designee, (ii) a bank, trust company, insurance company, real estate investment or mortgage trust or (iii) a governmental or union employee, welfare, pension or retirement fund or system.

Common Charges: Determination and Assessment

Common Expenses, which are payable by Unit Owners are included in their Common Charges, and are allocated among Unit Owners in proportion to their respective Common Interests. Common Charges shall also be deemed to include any special assessment imposed by the Board. The respective Common Interests of each Unit, as estimated by Sponsor, are based upon interior floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit.

Common Expenses include, among other things, all costs and expenses associated with operation of the Condominium, as determined by the Condominium Board, including but not limited to, the cost and expenses (including the payment of wages) in connection with the Maintenance to the Common Elements and certain other expenses common to all Unit Owners, electricity to the Common Elements, insurance premiums, management fees, service contract fees, legal and accounting fees, and contingencies. Any other costs associated with the operation of the Condominium shall be a Common Expense. Common Expenses may include amounts for certain other items as the Condominium Board may deem proper, such as amounts for reserves or in connection with the purchase or lease by the Condominium Board of any Unit.

In the event that the annual receipts levied against Unit Owners during the first year of condominium operation commencing on the date of First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of \$100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Sponsor during the first year of condominium operation will be distributed by the Condominium Board to Sponsor and the Unit Owner(s) in proportion to the amount of time Sponsor and each Unit Owner owned such Unit. Sponsor makes no representations that there will be any excess receipts for rebate to Units Owners or, if rebates are made, what the tax consequences of such rebates would be to Unit Owners. See the Tax Opinion in Part I of the Plan for further discussion regarding the income tax consequences of the ownership of Units by individual Unit Owners.

At least annually the Condominium Board will prepare a budget for Common Expenses and allocate, as aforesaid, and assess among all Unit Owners, Common Charges to meet such Common Expenses. Unit Owners shall be responsible to pay Common Charges to the Condominium as provided in the By-Laws with or without having received a bill from the Managing Agent or the Condominium Board.

The Condominium Board will furnish copies of each budget on which Common Charges are based to all Unit Owners and advise such Unit Owners of the amount of Common Charges payable by them. Unless otherwise determined by the Board to which they are payable, Common Charges will be payable monthly in advance on the first day of each month.

Common Charges: Collection and Lien for Non-Payment

Under the provisions of the By-Laws, the Condominium Board, on behalf of all Unit Owners, will have a lien on any Unit, for Common Charges unpaid to it by the Unit Owner thereof. All such liens, however, to the extent permitted by applicable law, will be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the particular Unit. Any lien for unpaid Common Charges, against a Unit will be effective from and after filing of a verified notice thereof in the City Register's Office until all sums secured thereby with interest accrued thereon shall have been fully paid, or until six years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever shall occur sooner. The By-Laws provide that such liens may be foreclosed by a suit brought in the name of the Condominium Board (acting on behalf of all Unit Owners) in like manner as the foreclosure of a mortgage on real property or an action may be brought by the Condominium Board to recover unpaid Common Charges without foreclosing such lien.

The Sponsor will cause the Board of Managers to file a lien as provided in Real Property Law Section 339-aa on Units which the Sponsor is more than thirty (30) days in arrears of common charges while the sponsor controls the Board. Failure of the Board of Managers to place such a lien or impose such charges shall not constitute a waiver of the right to do so at a later date or, with respect to a subsequent failure to pay, within the designated time.

In the event any Unit Owner fails to make payment of Common Charges or Assessments when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of \$150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, the Condominium Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein. In addition the Condominium Board may suspend a Unit Owner's voting rights and privileges for failure to pay any Common Charges or Assessments due.

No Unit Owner may exempt himself from liability for such Unit Owner's Common Charges by waiving use of any of Common Elements or by abandonment of such Unit Owner's Unit. Dissatisfaction with the quantity or quality of maintenance or services furnished to the Property or the degree to which the construction in the Building shall have been completed shall not be grounds for a Unit Owner to withhold or fail to pay all or any portion of the Common Charges or any other assessments. No Unit Owner, however, will be liable for the payment of any part of the Common

Charges assessed against such Unit Owner's Unit subsequent to a permissible sale, transfer or other conveyance by him of such Unit. In addition, as more specifically set forth in the By-Laws, a Unit Owner may, by conveying such Unit Owner's Unit without consideration to the Condominium Board and complying with certain conditions in connection therewith, exempt himself from Common Charges thereafter accruing.

On a resale of a Unit, the Purchaser thereof will be liable for the payment of Common Charges accrued and unpaid against such Unit prior to such Unit Owner's acquisition. Prior to the permissible sale, transfer or other conveyance of a Unit, any seller or purchaser of a Unit shall be entitled to a statement (an "Estoppel Letter") from the Condominium Board, setting forth the amount of the unpaid Common Charges accrued against the Unit and neither such seller nor purchaser shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in such statement. In the event of a foreclosure by the Condominium Board of its lien on any Unit for unpaid Common Charges, if the net proceeds of the foreclosure sale shall be insufficient for the payment of such unpaid charges or if a Unit is acquired by a mortgagee or purchaser in foreclosure, the Unit Owner will remain liable for the unpaid balance. Neither (a) a Permitted Mortgagee (as defined in the Condominium Declaration) acquiring title to a Unit at foreclosure sale nor (b) a purchaser at a foreclosure sale shall be liable, and the Unit shall not be subject to a lien, for the payment of the Common Charges assessed prior to the acquisition of title to such Unit by such Permitted Mortgagee or purchaser. However, such Permitted Mortgagee or purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title to such Unit. The Condominium Board will have the right to assess such unpaid balance as a Common Charge among all Unit Owners.

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

RPL §339-jj-Borrowing by Condominium

Subsection jj to Section 339 of the Real Property Law ("RPL"), was enacted into law on December 26, 1997 and authorizes the Condominium Board to incur debt provided that such debt (a) is incurred no earlier than the fifth anniversary of the First Closing and (b) is approved by Unit Owners owning Units to which there is appurtenant a majority of the Common Interests. Any such debt may be secured by future income and Common Charges in which event the Common Charges shall be deemed trust funds for the purpose of paying such debt. The Condominium Board cannot secure such debt by a lien on the Common Elements without the consent of all Unit Owners.

Repairs to and Maintenance of Units and Common Elements

Generally, all painting, decorating, and routine Maintenance in or to any Unit (other than to the Common Elements included therein), including the individual cooling systems and the interior side of entrance doors thereto, will be made by the owner of such Unit at such Unit Owner's sole cost and expense and in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

Notwithstanding the above, all normal Maintenance of any Balcony and/or Terrace shall be made by the Unit Owner having access to same, at such Unit Owner's own cost and expense, but any structural repairs to such Balcony or Terrace (including any structural repairs giving rise to leaks which are not caused by the negligence of the Unit Owner having access to the same) will be made by the Condominium Board and the cost and expense thereof will be charged to all Unit Owners as a Common Expense. Any Unit Owner having access to a Balcony or Terrace shall keep it free of snow, ice and accumulation of water, to the extent same would cause damage to the Building. In accordance with the By-Laws, the Condominium Board will have the right to require a Unit Owner to obtain the consent of the Condominium Board prior to installing plantings, surface coverings and other furniture, equipment and installations on the Terraces or Balconies and may require a Unit Owner to remove same if the Condominium Board determines, in their respective discretion, that such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. No Balcony or Terrace may be enclosed without the express written consent of the Condominium Board. Unit Owners are expressly prohibited from installing paving stones or other materials over the existing surfaces of the Terrace and/or Balconies without the prior written consent from the Condominium Board. The Condominium Board may establish such other rules and regulations as they deem necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

Each Unit includes, among other things, and each Unit Owner shall be responsible for, the Unit side of the front entrance door and any other entrance doors to such Unit, windows, skylights and green house additions, if any, and the related installations with respect thereto. The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted and are to be washed and cleaned by the Unit Owner at such Unit Owner's sole cost and expense. The exterior glass surfaces of all windows in the Building may, at the option of the Condominium Board, be washed and cleaned by the Condominium Board and the cost thereof shall be a Common Expense assessed against each Unit Owner; otherwise Unit Owners shall be obligated to clean such windows at their own cost and expense. The Budget for first year of Condominium operation does not include any expenditure for window washing. Any replacement of glass windows in any Unit because of breakage or otherwise shall be made by the Condominium Board at the sole cost and expense of the owner of such Unit (unless such breakage is caused by the Condominium Board or its agents or the negligence of any other Unit Owner, in which event such replacement of glass windows will be at the sole cost and expense of the Condominium Board or such Unit Owner). No replacement, modification or alteration may be made to or of the windows without the consent of the Condominium Board.

The By-Laws provide that each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water, to the extent same would cause damage to the Building) by the Unit Owner or Condominium Board, whichever is responsible for the Maintenance thereof. In the event any Unit Owner fails to keep such Unit Owner's Unit in such condition, the Condominium Board may, at the expense of such Unit Owner, enter such Unit and perform such acts as are necessary to cure such default. A Unit Owner shall not permit excessive noise or vibrations to emanate from the Unit. Each Unit Owner will be obligated to maintain the appropriate temperature and humidity in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner that fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure, including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

The By-Laws further require that those public or other areas of the Building exposed to public view that are required to be maintained by each Unit Owner or the Condominium Board, be kept in good appearance in conformity with the dignity and character of the Building by such Unit Owner or Board.

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

Alterations and Improvements of Units and Common Elements

No Unit Owner may make any structural alteration, addition, improvement or repair in or to such Unit Owner's Unit without the prior written approval of the Condominium Board but, as more fully set forth in the By-Laws, this provision does not apply to Sponsor. Except as otherwise permitted in the By-Laws, no Unit Owner may make any alteration, addition, improvement or repair in or to the Common Elements without the prior written approval of the Condominium Board. The Condominium Board may impose fees upon such Unit Owner to reimburse the Condominium for costs incurred in connection with the review or supervision of such Unit Owner's work.

Prior to, and as a condition of, the granting of its consent to the making of a structural alteration, addition, improvement or repair in or to a Unit, the Condominium Board shall have the right to reasonably approve the Unit Owner's contractors and suppliers and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Board setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. In addition, the Board will have the right, as a condition to approving a Unit Owner's request to renovate kitchens and bathrooms, to require such Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements.

Any contractor performing work shall not employ any personnel or means that may cause labor disturbances or stoppage in the work of Building employees or other contractors or subcontractors employed in the Building.

No application or other document shall be filed with any governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit, unless approved and executed, if necessary, by the Condominium Board or, if required, by the Condominium Board. The Condominium Board will not unreasonably refuse to approve and execute, if necessary, any application or other document required to be filed in connection with approved structural alterations, additions, improvements or repairs, provided that the Condominium Board and the Unit Owners shall not be subject to any expense or liability by reason of such approval and execution or, by reason of such addition, alteration or improvement, including, without limitation, liability to any contractor, subcontractor, materialperson, architect or engineer, or to any person having any claim for injury to person or damage to property arising therefrom. The provisions of this paragraph shall not apply to Sponsor, provided any alteration to such Unit shall be in accordance with, and only as permitted by, the Condominium Act and all governmental regulations. Under the terms of the By-Laws, Sponsor is authorized on behalf of the Condominium Board to execute such applications, permits or other documents as may be required to undertake, perform and complete such work to the Unsold Units and Common Elements as Sponsor is entitled to perform in accordance with the terms of the Declaration and the By-Laws and to obtain such certificates of completion as may then be required by Law, if any, (collectively the "Required Documentation") and, the Condominium Board, if requested by Sponsor is obligated to execute the Required Documentation. In addition, the power of attorney to be executed by each Unit Owner upon acquisition of the Unit further grants to Sponsor a power of attorney to execute the Required Documentation.

In the event that any alterations, additions, improvements or repairs made by any Unit Owner materially affects, or creates a requirement for the issuance of a temporary or permanent certificate of occupancy for such Unit, other Units or the Building, then upon the written request of Sponsor or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the party requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any remedies provided in the By-Laws.

Generally all alterations or improvements in or to the Common Elements will be made by the Condominium Board and the cost and expense thereof will be charged to the Unit Owners as a Common Expense.

Sponsor, without the consent of the Condominium Board, may make any alteration, addition, improvement or repair in or to any Unsold Unit or the Common Elements provided that the work is performed by Sponsor in compliance with governmental laws and regulations and in accordance with all conditions described in the Declaration. In addition, Sponsor may erect, maintain, repair and replace, or permit their tenants to erect, maintain, repair or replace, from time to time, one or more

signs on the Property for the purpose of advertising the availability of Units for sale or rental any Unsold Unit including, but not limited to, signs on the facade and/or the roofs of the Building and on any awnings, canopies or other protrusions from the facade of the Building.

Rights of Access

As more fully set forth in the By-Laws, the Condominium Board and any managing agents, managers, superintendents and other persons authorized by the Condominium Board, will have a right of access to any Unit for the purposes of performing installations, alterations or repairs to the mechanical or electrical services or other Common Elements in the Unit or elsewhere in the Building, to remove violations, cure defaults by a Unit Owner, correct any condition originating in any Unit and threatening another Unit or any Common Element, and for any other purposes provided in the Plan, Declaration or as may be required by law or governmental regulation, provided that requests for entry (except in emergency situations) are made in advance and that any such entry (except in emergency situations) is at a time reasonably convenient to the Unit Owner and the tenants of any Unit. In case of an emergency, such right of entry shall be immediate, whether the Unit Owner is present at the time or not. Provided reasonable care is exercised to safeguard the Unit Owner's property, any entry described herein shall not render the Condominium Board or its authorized agents liable for damage incurred in connection with the exercise of such right of entry. Sponsor shall have a right of access to any Unit for the purpose of performing punch-list work.

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

Each Unit Owner must strictly comply with the provisions of the Declaration, the By-Laws, and the Rules and Regulations. Pursuant to Section 339(j) of the Condominium Act, failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief shall not be exclusive of other remedies provided by Law. The By-Laws, together with the Rules and Regulations, will be recorded with the Declaration in the City Register's Office.

Examination of Books and Records

Each Unit Owner and each mortgagee of a Unit shall be permitted, upon prior request, to examine the books of account of the Condominium and other records of the Condominium during normal business hours on business days at the office of the Condominium.

Repair or Reconstruction after Fire or Other Casualty

In the event that the Building or any part thereof is damaged or destroyed by fire or other casualty, the Condominium Board, will, except as set forth below, arrange for the prompt repair and restoration thereof.

If the Building is destroyed or damaged by fire or other casualty and if the net insurance proceeds are insufficient to cover, or exceed, the cost of repairs and restoration, any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests. Notwithstanding anything in this paragraph to the contrary, no payment of surplus insurance proceeds shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to reduce unpaid liens on such Unit Owner's Unit, other than mortgages which are not Permitted Mortgages, in the order of priority of such liens. The provisions of this paragraph are subject to the next paragraph.

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

If three-fourths or more of the Building is destroyed or substantially damaged and if 75% of all Unit Owners do not promptly resolve to proceed with the repair or restoration thereof, the Building will not be repaired and the Property shall be subject to an action for partition instituted by any Unit Owner or lienor, as if owned in common, in which case the net proceeds of sale, together with the net proceeds of insurance policies, shall be divided among all Unit Owners in proportion to their respective Common Interests, provided, however, that no payment shall be made to a Unit Owner until there has first been paid out of such Unit Owner's share of such funds such amounts as may be necessary to discharge all unpaid liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages) in the order of the priority of such liens.

Notwithstanding anything contained herein to the contrary, the proceeds of all policies of physical damage insurance maintained by the Condominium Board shall be payable to the Condominium Board in the event of a loss amounting to \$1,000,000 or less. In the event that such proceeds are in excess of \$1,000,000, such proceeds shall be payable to a New York City bank or trust company designated by the Condominium Board as insurance trustee pursuant to the provisions of the By-Laws. The insurance trustee shall hold all such proceeds in accordance with Section 254-(4) of the New York Real Property Law.

Insurance

The Condominium Board is required to obtain and maintain, in accordance with the provisions of the By-Laws, to the extent obtainable and to the extent determined by the Condominium Board to be appropriate, the following insurance: (a) fire insurance with all risk extended coverage, vandalism and malicious mischief endorsements, insuring the entire Building (including each Unit, but excluding fixtures, furniture, furnishings or other personal property not constituting a part of such Unit), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board and all Unit Owners and Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings); (b) boiler and machinery insurance; and (c) such other insurance as the Condominium Board may determine. Each Unit Owner shall be an additional insured.

The fire insurance policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject, however, to the loss payment provisions described in the By-Laws.

The amount of fire insurance and all risk extended coverage to be maintained until the first Condominium Board meeting following the First Annual Meeting of the Unit Owners shall be in at least the sum set forth in Schedule B.

All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Condominium Board and all Unit Owners waive any and all subrogation rights.

The Condominium Board shall also be required to obtain and maintain, to the extent obtainable, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as the Condominium Board may from time to time determine, covering (1) the Condominium Board, the Managing Agent thereof, each Board member and each officer and employee of the Condominium, (2) the Unit Owners, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, exclusive to such Unit Owner's Unit. The Condominium Board shall review such limits not less than once each year. Until the first meeting of the Condominium Board following the First Annual Meeting of Unit Owners, such liability insurance shall be in at least the sum set forth in Schedule B with respect to bodily injury and property damage, combined single limit. The insurance discussed above shall also include cross-liability claims of one insured against another.

Any insurance maintained by the Condominium Board may provide for such deductible

amounts as the Condominium Board determines. The premiums for all insurance referred to above shall be a Common Expense and shall be borne by the Unit Owners.

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

Liability of Board of Managers and Unit Owners

Every contract made by the Condominium Board or by any managing agent or manager thereof shall state that (a) it is made only as agent for all Unit Owners and such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and (b) the liability of any Unit Owner with respect to such contract shall be limited to (i) such proportionate share of the total liability as the Common Interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners or Unit Owners, as the case may be, and (ii) to the extent permitted by law, unless otherwise determined by the Condominium Board in its sole and absolute discretion, such Unit Owner's interest in such Unit Owner's Unit and its appurtenant Common Interest. To the extent permitted by applicable law, Board members shall have no liability to Unit Owners except that a Board member shall be liable for such member's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with any Board member, any Unit Owner, Sponsor or its designee, or any affiliate of any of them without incurring any liability for self-dealing except in cases of bad faith or willful misconduct.

Reports to Unit Owners

An annual report of the receipts and expenditures of the Condominium, certified by an independent certified public accountant, shall be submitted by the Condominium Board to all Unit Owners within four months after the end of each fiscal year.

Termination of Condominium

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain as provided in the By-Laws) until such time as the Property shall be withdrawn from the provisions of the Condominium Act as a result of the vote to do so of at least eighty (80%) percent in number and in Common Interest of all Unit Owners. Such vote shall not be effective, however, unless written consents are obtained from (a) the Mortgage Representatives, if any, and (b) Sponsor, until such time as Sponsor and its designees have conveyed title to all Units, provided that in no event shall Sponsor's consent be required more than five (5) years after the First Closing. In the event of withdrawal, the Property shall be subject to an action for partition by any Unit Owner or any lienor as if owned in common, in which event the net proceeds of the sale shall be divided among all Unit Owners in proportion to their respective Common Interests after first applying the share of the net proceeds of such sale otherwise payable to any Unit Owner to the payment of any liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

Units Acquired by Condominium Board

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

The purchase of any Unit by the Condominium Board or its designees, on behalf of the Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the Condominium Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner, as the case may be, in proportion to such Unit Owner's respective Common Interest, as a Common Charge and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however, that financing may only be obtained when permitted by the By-Laws and that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its appurtenant interests in the Common Elements.

Procedure to Review Real Estate Tax Assessments

The Condominium Board, on behalf of and as agent for all Unit Owners, will be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of such Unit Owner's Unit reduced by bringing a separate certiorari proceeding, the Condominium Board, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings. Currently, there are no pending tax certiorari proceedings. There is no procedure in the By-Laws governing grievances or appeals by Unit owners of their tax assessments. Each Unit owner may or may not file a grievance as he or she wishes.

Mechanics' Liens

Under the provisions of the Condominium Act, no lien of any nature may arise or be created against the Common Elements except with the unanimous consent of all Unit Owners affected thereby. Liens may arise or be created against only the several Units and their respective Common Interests. Labor performed on, or materials supplied to, a Unit may not be the basis for a mechanic's lien against the Unit of a Unit Owner not expressly consenting to or requesting such work, except in the case of emergency repairs. No labor performed on, or materials furnished to, the Common Elements shall be the basis for a lien thereon but all Common Charges received by the Condominium Board shall constitute trust funds for the purpose of paying the cost of labor performed or materials furnished at the request or with the consent of the Condominium Board or the Managing Agent for the Common Elements.

Easements and Name of Condominium

In order to facilitate the operation and Maintenance of the Building and the sale or leasing of Units therein, each of the Units will be subject to certain easements including easements in favor of Sponsor, other Unit Owners and the Condominium Board. These easements, which are more particularly set forth in the Declaration, include an easement of support and necessity in favor of all other Units and the Common Elements, and an easement in favor of each Unit Owner to use the Common Elements provided that such easements shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Sponsor, shall have an easement to erect, maintain, repair and replace lights and lighting fixtures and to erect maintain and replace satellite communication equipment and similar equipment, as permitted by law, on the roofs and facade of the Property and elsewhere on the Common Elements which shall entitle Sponsor to utilize such easement for its own account or the account of any licensee of Sponsor for the purpose of servicing the Condominium or any other building or area. In addition, Sponsor and its designees shall have an easement to erect, maintain, repair and replace any sign permitted by law on the Property for the purposes of advertising the sale of any Unit, the leasing of space in any Unit and the operation of any business of a tenant or occupant of any Unit.

As set forth in the Declaration, the Condominium and the Building shall be designated and known as "The Elkins House Condominium". Any and all rights and interests appurtenant to such name, if same exist, are owned and controlled by Sponsor. Similarly, any and all obligations and liabilities appurtenant to such name shall be the sole responsibility and obligation of Sponsor. For so long as Sponsor owns any Units in the Building only Sponsor shall have the right to change the name of the Condominium and/or the Building, and such right may be exercised by Sponsor at any time without the vote or consent of the Condominium Board or Unit Owner. In addition, Sponsor shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Sponsor as the sponsor of the condominium offering, together with such other information as Sponsor determines in its sole discretion.

The Declaration and By-Laws

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

XVII. REAL ESTATE TAXES

The real estate tax estimates for each Unit were calculated on the assumption that the real estate taxes payable with respect to each Unit for the first year of Condominium operation will be allocated in proportion to each Unit's percentage interest in the Common Elements as set forth in Schedule A. Upon determination of individual tax lots and individual residential Unit assessments, the New York City tax authorities may allocate taxes between the residential Units in proportion to each residential Unit's purchase price or imputed market value rather than its percentage interest in the Common Elements and, if so, residential Units having the same or similar percentage interest may pay different real estate taxes and taxes may differ from those set forth on Schedule A.

After the Units are separately assessed, each Unit will be taxed as a separate tax lot for real estate tax purposes and no Unit owner will be responsible for the payment of, nor will the Unit be subjected to, any lien arising from the non-payment of taxes on other Units. The appropriate tax assessor's office usually makes such separate assessments on the first of July.

If the Units have not been separately assessed for real estate tax purposes prior to the closing of title to the first Unit, Unit owners will make payments towards the real estate taxes in proportion to the Unit's Common Percentage Interest, to the Board of Managers when the bills are sent, upon ten days' notice.

There is one taxing authority that sets real estate tax rates, the City of New York. Assuming the Property does not receive any exemption/abatement from real estate taxes, it is estimated that the aggregate tax rate will be approximately \$12.892 per \$100.00 of assessed value for the Units and the estimated assessed value upon completion, will be approximately \$87,461.00 and as estimated by Metropolitan Realty Exemptions Inc., property specialist, by letter dated May 4, 2017, a copy of said letter is attached hereto. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS OR THE TAX RATE WILL NOT BE CHANGED. PURCHASERS ARE ADVISED THAT THE NEW YORK CITY TAXING AUTHORITIES HAVE IMPLEMENTED SIGNIFICANT INCREASES IN THE TENTATIVE ASSESSED VALUATIONS FOR NEW CONSTRUCTION CONDOMINIUMS WHICH DO NOT APPEAR CONSISTENT WITH THEIR VALUATIONS IN PRIOR YEARS. SPONSOR MAKES NO REPRESENTATIONS REGARDING THE METHODOLOGY WHICH THE TAXING AUTHORITIES WILL USE IN FUTURE TAX YEARS.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT A GUARANTEE OR WARRANTY (i) regarding the method of allocating real estate taxes which will be employed by the New York City tax assessor; (ii) of the assessed value of the Property during the first year of Condominium operation; (iii) of the assessed value of the Property upon completion; or (iv) of the tax rates employed by the City of New York.

There are no pending tax certiorari proceedings. There is no procedure in the By-Laws governing grievances or appeals by Unit owners of their tax assessments. Each Unit owner may or may not file a grievance as he or she wishes.

Section 528 of the Internal Revenue Code affords certain condominiums, substantially all of whose units are used for residential purposes, the opportunity to elect to be treated as a tax exempt organization. In order to qualify under this statute, sixty percent or more of the condominium's gross income must consist of common charges, membership dues, fees or assessments from the unit owners and ninety percent or more of the expenditures of the condominium must be for the acquisition, construction, management, maintenance and care of the condominium properties, which properties, as defined in Section 528, include property held by the condominium, or property within the condominium held by the members of the condominium, or unit owners. Purchasers should consult their own accountant or tax expert prior to signing a Purchase Agreement. (See the Opinion of Counsel in Section XVIII.)

Metropolitan Realty Exemptions, Inc.

118 Middleton Street Brooklyn, NY 11206
Telephone: (718)387-3004 Facsimile: (718)228-3503
Email: taxadvisor@thejnet.com

June 22, 2017

Benjamin Fisch
29 West 17 Street, 2nd Floor
New York, NY 10011

RE: 539 4th Street
Brooklyn, NY
Block & Lot: 1081 - 71

Dear Sir;

You have requested us to advise you with our opinion in respect to determining the projected Annual Assessment and tax liabilities on the above captioned real property.

The New York City Department of Finance assesses the values on all New York City residential and commercial properties annually. The Department of Finance releases tentative assessments of the property value of every property in January of every year and final assessments every May, prior to the beginning of each tax year, which begins July 1.

Real Property tax rates, set each year by the City Council are applied to these property values to determine each homeowner's annual tax liability.

The property tax assessment process commences when the city's assessors determine the *market value* of the property. Despite the given name "*market value*", this value has little to do with the actual value of the property (what someone would actually pay for acquisition of the property). In some neighborhoods the *market values* are close to actual property values. In others they can be as little as 5% of true values. Even within neighborhoods there can be wide variations.

Property tax is only levied on a portion of the *market value*. This portion is called the *assessed value*.

Tax classes

One to three family homes irrelevant to the number of stories, or 1-3 family Condominiums with no more than three (3) stories, which were classified by the "NYC Department of Finance" as tax class one (1) on the taxable status date of January 5th of any given tax year following the issuance of Certificate of Occupancy, the assessed

Metropolitan Realty Exemptions, Inc.

values are levied on 6% of the *market value*. In regard to all other properties, taxes are levied on 45% of the *market value*.

Please be advised that the New York State Assembly has amended the 421a Rules & Regulations to outlaw three unit dwelling buildings. According to the amended Rules & Regulations, the subject premise is not eligible for a property tax exemption pursuant to N.Y. Real Property Tax Law §421-a.

In rendering this opinion, we have relied upon the following facts and assumptions that were confirmed to us by you:

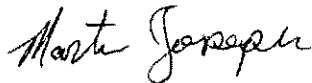
In this instance, in regard to the subject premise, the proposal is to renovate the existing eight (8) units, four story building and convert it into 8 residential condominiums. Based on assessment guidelines, The NYC DOF Surveyor's Office shall class the proposed structures as a tax class two (2) and thus levy the assessed value on a 45% rate of the market value.

The total assessed value of the property for tax year 2017/2018 is \$203,928. Using the foregoing estimate of assessed value, assuming the tax rate regarding tax class 2 remains the same as the current rate of 12.892% (i.e., \$12.892 per \$100 of assessed value, the final 2016/17 tax rates), then the total real estate tax liability is \$26,290.

You are advised that this projection is an estimate, as it is unlikely that the post-construction assessed value and/or tax rate will remain constant for the construction period. Thus, the actual assessment and real estate tax liability may be more or less than the total assessment and tax liability amount shown.

This letter was prepared at the Sponsor's request. However, we make no representation that the tax rates set each year by the City Council, or the assessed valuation determined by the city's assessors will reflect our projected estimate. In no event will my firm, the Sponsor, the Sponsors' counsel, or any other person be accountable if the assessed valuation when actually made is lesser or greater than predicted.

Sincerely yours,



Martin Joseph
Metropolitan Realty Exemptions, Inc.

XVIII. OPINION OF COUNSEL

MARK J. NUSSBAUM & ASSOCIATES PLLC
225 Broadway, 39th Floor
New York, NY 10007
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December 19, 2017

4ST Park Slope Development LLC
29 West 17th Street, 2nd Floor
New York, NY 10011

RE: The 539 4th Street Condominium
539 4th Street
Brooklyn NY

Gentlemen:

We have been requested to furnish a legal opinion with respect to several legal issues regarding the above referenced condominium project.

An owner of a residential property may deduct from his otherwise taxable income any amounts paid for real estate taxes and interest on a mortgage under current federal and state and law. I base my opinion on the following authorities: 26 U.S.C., otherwise known as the United States Internal Revenue Code of 1986 (the "Code"), 26 U.S.C. §§ 163(h)(3) and 164(a)(2), New York State Tax Law § 615. Owners of condominium units are entitled to the same deductions (Revenue Ruling 64-31). In addition, a homeowner may be entitled to a property tax reduction if he or she is a veteran, senior citizen or is handicapped. In our opinion, the unit owners in the referenced condominium will be entitled to the income tax deductions and the real estate tax benefits described above.

Section 528 of the Code affords certain condominiums, substantially all of whose units are used for residential purposes, the opportunity to elect to be treated as a tax exempt organization. In order to qualify under this statute, sixty percent or more of the condominium's gross income must consist of common charges, membership dues, fees or assessments from the unit owners and ninety percent or more of the expenditures of the condominium must be for the acquisition, construction, management, maintenance and care of the condominium properties, which properties, as defined in Section 528, include property held by the condominium, or property within the condominium held by the members of the condominium, or unit owners.

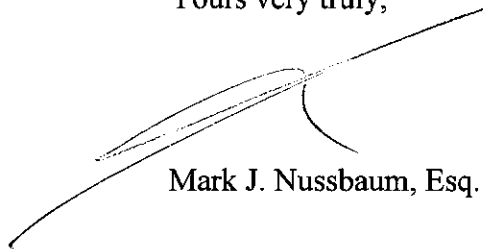
Based upon my examination of the offering plan and subject to the condominium actually satisfying the minimum percentage income and expenditure criteria set forth above, it is my opinion that the condominium will be eligible to be treated as a tax exempt organization under

Section 528 of the Code if it elects such status. Such an election may entail the filing of tax returns and will exempt from federal and New York state income taxation all amounts received by the condominium from the unit owners as membership dues, fees or assessments. The condominium will be taxed, however, on any excess of income over expenses from unrelated sources. Examples of unrelated sources income include interest earned on reserve funds, income from concessions and income from dues or fees received from persons other than the unit owners such as tenants of commercial space owned by the condominium. In the event either the condominium fails to qualify for and elect Section 528 taxation status in any year, it may be subject to federal and New York state income taxation.

Sponsor has complied with Section 339-i(1)(ii) of the Real Property Law assigning the percentage of common interest in the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all the Units in part or parts of the Common elements as required by 13 NYCRR §20.3(i).

The within legal 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, or which cause unit owners not to be or to cease to be entitled to the benefits or the level or duration of benefits described above.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'Mark J. Nussbaum', is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping underline that extends to the left and then curves back under the name.

Mark J. Nussbaum, Esq.

XIX. RESERVE FUND

A small Reserve Fund is being established for the Condominium. The Reserve Fund of \$4,700.00 is equal to approximately 10% of the total estimated Common Charges for the First Year of Operation. (Please refer to Section V Schedule B). In light of the fact that the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacement during the first five (5) years of operation of the Condominium, nor will the Reserve Fund be sufficient to cover any needs major capital repairs, should any be required.

No representation is being made by Sponsor, that the Reserve Fund will be adequate for future repairs or replacements of Common Elements. The Board, in general has principal responsibility for repairing and maintaining the Common Elements (such as the roofs, central fire alarm and security systems, and various mechanical and electrical systems). The Board may decide in the future to increase the Reserve Fund or pay for necessary repairs or capital items by special assessment or by increasing Common Charges, payable by the Unit Owners. Each Unit Owner would be individually liable for the amount of such special assessment against, or increase payable by the Board to the extent of such Unit Owner's proportionate Common Interest among all Unit Owners.

The Reserve Fund will be held and used for to make major capital repairs or for closing costs, or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Condominium Board (see the Section entitled "Control By Sponsor"), the Reserve Fund will not be used to reduce estimated Common Charges.

The Condominium Board will be able to utilize the money in the Reserve Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Reserve Fund be used to pay any Common Charges attributable to Unsold Units.

In the event that capital expenditures for renewal or replacement of Building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, the Condominium Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws the Condominium Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Reserve Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Reserve Fund.

XIXA. WORKING CAPITAL FUND.

The Purchaser of each Unit shall be required to make a contribution at the Closing of such Unit Owner's Unit(s) to the working capital fund of the Condominium (the "Working Capital Fund"). Such contribution shall be in an amount equal to two (2) month's Common Charges then in effect for the Unit(s), pursuant to the budget and in accordance with Schedule A hereto, as the same may be amended from time to time. When fully funded the Working Capital Fund will be \$8,595.16. In light of the fact that the Condominium will be newly constructed it is not anticipated that there should be any major capital repairs or replacement during the first five (5) years of operation of the Condominium, nor will the Working Capital Fund be sufficient to cover any needs major capital repairs, should any be required.

No representation is being made by Sponsor, that the Working Capital Fund will be adequate for future repairs or replacements of Common Elements. The Board, in general has principal responsibility for repairing and maintaining the Common Elements (such as the roofs, central fire alarm and security systems, and various mechanical and electrical systems). The Board may decide in the future to increase the Working Capital Fund or pay for necessary repairs or capital items by special assessment or by increasing Common Charges, payable by the Unit Owners. Each Unit Owner would be individually liable for the amount of such special assessment against, or increase payable by the Board to the extent of such Unit Owner's proportionate Common Interest among all Unit Owners.

The Working Capital Fund will be held and used for Working Capital, for closing costs, or for such other appropriate purposes as will be determined by the Condominium Board and may be augmented by allocations from the monthly Common Charges collected from each Unit. While Sponsor controls the Condominium Board (see the Section entitled "Control By Sponsor"), the Working Capital Fund will not be used to reduce estimated Common Charges.

The Condominium Board will be able to utilize the money in the Working Capital Fund at any time and, accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time. However, in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units.

In the event that capital expenditures for renewal or replacement of building components or systems or to remedy major building defects are needed, it may be necessary to increase Common Charges or make special assessments payable by Unit Owners who are responsible for the repair and replacement of the Common Element in need of such renewal, replacement or remedy. Alternatively, the Condominium Board may determine to seek financing from a bank or other lending institution for such expenditures in accordance with the terms of the By-Laws and subject, in certain instances, to Unit Owner approval. In addition, pursuant to the By-Laws the Condominium Board is entitled to determine amounts for a reserve for replacements in establishing the annual budgets. No representation or warranty is made that the Working Capital Fund will be, or is intended to be, adequate to cover current or future expenses, for the first or any subsequent year

of Condominium operation. Neither the Department of Law nor any other government agency has passed upon the adequacy of the Working Capital Fund

XX. MANAGEMENT AGREEMENT, CONTRACTS AND LEASES

The Sponsor has not entered into any management agreement, contracts and/or leases of any kind, other than those related to the construction of the building.

The budget does not provide for professional management. As a result, the building will not have a management agent. Common charges will have to be collected by the board of managers. In the event a Management Agent is hired Common Charges will have to be increased. Accounts for Common Charges, Reserve Fund and Working Capital will have to be opened and maintained by the Board of Managers. The Board of Managers or the Unit owners themselves will be expected to maintain and clean the Common Elements. The Board of Managers will be directly responsible for capital improvements and/or repairs to the Common Elements. In the event the Board of Managers desires to retain a Managing Agent Common Charges may be raised to pay management fees.

XXI. IDENTITY OF PARTIES

Sponsor & Selling Agent

The Sponsor and Selling Agent is 4st Park Slope Development, with a business address at 29 West 17th Street, 2nd Floor, New York, New York 10011. This is the first development project for the Sponsor. The principal of Sponsor is SAN Development LLC, the operating manager of Sponsor a real estate development company. Amit Stern and Assaf Cohen are principals of SAN Development LLC. Amit Stern and Assaf Cohen have over 10 years' experience, each, in buying, managing, renting, selling and developing real estate.

There have been no prior felony convictions of Sponsor, or any principals of Sponsor; and no prior convictions, bankruptcies, injunctions and judgements against Sponsor or any principals of Sponsor that may be material to the Plan or an offering of securities generally, that occurred within 15 years prior to the submission of this Plan. The Sponsor and principals of Sponsor have not participated in any prior public offerings.

Attorneys for Sponsor

Mark J. Nussbaum and Benjamin Fish Esqs., are counsel to the Sponsor in regard to the drafting of this Plan. The Plan was prepared by Benjamin Fish, Esq. Sponsor's attorney will also act as Sponsor's closing counsel and as the escrow agent for Purchaser's Down Payments.

The above attorneys are counsel to Sponsor and not to any Purchaser under the Plan. Each Purchaser should consult with his or her own attorney, tax counsel, accountant, or other financial advisor as to the tax consequences of the ownership of a Condominium Unit or the deductibility of any taxes or other charges.

Sponsor's Architect

Sponsor's architect is Moulin and Associates, 150 West 28th Street, New York, New York 10001. They are a New York State licensed architect who has experience both in residential and commercial architecture.

XXII. 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 by each September first; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (2) thirty (30) days' notice of the annual Unit owners' meeting; and
- (3) a copy of the proposed annual budget of the Condominium at least 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.

XXIII. 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 charge of \$.20 per page at Sponsor's office for six years from the date of first closing. The Sponsor shall deliver to the board of managers, if available, a copy of all documents filed with the appropriate recording office at the time of the closing of the first Unit. The Offering Plan and all Exhibits are also available for inspection, and copying at an additional charge, at the NYS Department of Law, 120 Broadway, 23rd Floor, New York, NY 10271.

XXIV. 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.

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

Purchasers have the right to rescind purchase agreements following material adverse amendments.

No contracts, written or oral, have been entered into for the sale or transfer of any of the Units offered in the Plan. No deposits or advances of funds have been accepted as of the date the Plan is accepted for filing.

All of the Units offered in the Plan are vacant.

XXV. SPONSOR'S STATEMENT OF BUILDING CONDITION

Sponsor hereby adopts the Description of Property and Building Condition set forth in Part II of the Plan, and represents that Sponsor 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.

PART II

PURCHASE AGREEMENT
4ST PARK SLOPE DEVELOPMENT LLC

Sponsor-Seller

TO

Purchaser

UNIT NUMBER _____

The 539 4th Street Condominium
539 4th Street
Brooklyn, NY

UNIT NUMBER _____

The 539 4th Street Condominium
539 4th Street
Brooklyn, NY

(to be executed in quadruplicate)

This agreement (the "Agreement"), made as of the date on the signature page of the Agreement, between 4st Park Slope Development LLC, a New York limited liability company, having an office at 29 West 17th Street, 2nd Floor, New York, New York 10011, ("Sponsor"), and

_____, having an address at
_____, ("Purchaser").

W I T N E S S E T H:

1. THE PLAN. Seller has exhibited and delivered to the Purchaser and Purchaser acknowledges having received, read and understood the Offering Plan for condominium ownership of the Property and all filed amendments thereto, all of which are incorporated by reference and made a part of this Purchase Agreement with the same force and effect as if fully set forth in this Purchase Agreement. Purchaser agrees to be bound by the Offering Plan and all amendments thereto now or hereafter filed by Seller (collectively the "Plan"). Seller may freely amend the Plan in any respect from time to time, without Purchaser's approval or consent. However, in the event any amendment materially and adversely affects Purchaser, Purchaser shall be given the right to rescind this Purchase Agreement. Any conflict between the Plan and this Purchase Agreement shall be resolved according to the terms of the Plan. Purchaser acknowledges having received and read the Plan at least three (3) business days prior to signing this Purchase Agreement and having had full opportunity to examine all papers and documents and investigate all matters set forth in the Plan.

2. DEFINITIONS. Terms used herein which are also used in the Plan shall have the same meanings herein as therein unless the context otherwise requires.

3. THE UNIT. Seller shall sell to Purchaser and Purchaser shall buy from Seller a condominium Residential Unit known as Residential Unit No. _____ (the "Residential Unit"), together with a _____ percent undivided interest in the Common Elements of the Condominium known as The 539 4th Street Condominium (the "Condominium") as described in the Declaration of Condominium to be recorded in the Kings County Register's Office, to be built by Seller on property comprising the Condominium Map (the "Property") filed or to be filed in the Kings Register's Office. The Residential Unit that is to be built may vary from any display model type and Purchaser should not rely on the display Model Type Residential Unit. All dimensions are approximate and may vary from the Floor Plans.

The Residential Unit shall not include any of the following if displayed in any Model Residential Unit: decorative fixtures, furniture, furnishings, paint, wallpaper, carpeting, ceramic floors, mirrors, shelves, wall and window treatments, built-ins, burglar alarm systems, electric fixtures, site lighting, intercom systems, special landscaping installed at any Model Residential Unit s, central vacuum systems, patios, decks, highhat lighting, additional fixtures and switches added for decorative purposes, pull down staircases and skylights and other optional fixtures or features exhibited in any Model Residential Units and/or any sales office excepting those specifically set forth as may be attached to this Purchase Agreement, or above. The above features contained in any Model Residential Unit and/or sales office are for display purposes only and are not included in this sale.

All improvements containing natural materials are subject to fade. Seller shall not be responsible to change, replace or remove any improvements in the event they fade.

4. PURCHASE PRICE.

4.1 The purchase price for the Unit ("Purchase Price") is \$_____

The Purchase Price is payable as follows:

(a) \$_____ (the "Down Payment"), due upon Purchaser's signing and submitting this Agreement, by check (subject to collection), receipt of which is hereby acknowledged; and

(b) \$_____, constituting the balance of the Purchase Price, by good certified check of Purchaser or official bank check, payable on the delivery of the deed as hereinafter provided.

4.2 All checks shall represent United States currency and shall be drawn on or issued by a New York bank or trust company which is a member of The New York Clearing House Association, unless otherwise agreed to by Sponsor. Checks for the Down Payment shall be made payable to "MARK J. NUSSBAUM, AS ATTORNEY." Checks for the balance of the Purchase Price shall be made payable to the direct order of Sponsor or such other party as Sponsor may designate upon not less than two (2) days prior notice. If any check is returned for insufficient funds or any other reason, Sponsor at its option, may declare this Agreement void ab initio and of no further force and effect and may institute an action against Purchaser for the collection of the Down Payment as liquidated damages or may declare a default by Purchaser under this Agreement which shall entitle Sponsor to exercise any of the remedies set forth in Article 17 hereof.

4.3 THE PAYMENT DUE AT CLOSING IN ACCORDANCE WITH THIS PURCHASE AGREEMENT ON ACCOUNT OF THE PURCHASE PRICE MUST BE MADE BY PURCHASER'S PERSONAL CERTIFIED CHECK OR OFFICIAL TELLERS CHECK ON A NEW YORK CLEARINGHOUSE BANK PAYABLE DIRECTLY TO SELLER OR SELLER'S DESIGNEE. IF PAYMENT

SHALL BE MADE TO SELLER'S DESIGNEE, SELLER SHALL GIVE PURCHASER PRIOR INSTRUCTIONS. UNCERTIFIED CHECKS OF FUNDING COMPANIES, ATTORNEY'S ESCROW CHECKS AND CHECKS PAYABLE TO PURCHASER OR ANOTHER PARTY AND ENDORSED TO SELLER WILL NOT BE ACCEPTED AND TENDER OF SAME WILL NOT CONSTITUTE COMPLIANCE BY PURCHASER OF THEIR OBLIGATIONS HEREUNDER.

5. CHANGES. In building the Residential Unit and performing any other work to the Residential Unit or on the Property, Seller reserves the right to: (a) make changes or substitutions of materials or construction from those shown in the model or building plans, provided any such changes or substitutions are of substantially similar or better quality; (b) determine the exterior color, design and location of the Building, landscaping and grading of the property; (c) determine the location and type of Residential Unit to be constructed in the Building; (d) fix the location and setbacks of the Building; (e) determine the ultimate Residential Unit type mix to be constructed in the development; (f) determine whether existing trees, shrubs and other plant life are to be moved or removed, (g) determine the location of electric, gas and water meters, electric transformers, air conditioning compressors; (h) change appliances as long as they are equal to or better than originally offered; and (i) make any other changes required by the City of New York.

6. GOVERNMENTAL REQUIREMENTS. If after the date of this Purchase Agreement, any law or governmental authority requires any substitutions, changes or additions in any part of the construction of the Residential Unit, the materials used in construction, the manner of construction or any other aspect of development, then the actual cost of such substitution, change or addition shall be added to the price of the Residential Unit and shall be payable by Purchaser to Seller at Closing (defined below), provided, however, that if the amount of such additional cost exceeds \$1,000 then Purchaser may cancel this Purchase Agreement and receive a full refund of all payments made to Seller on account of the purchase price, whereupon neither party shall have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. However, such right to cancel this Purchase Agreement shall automatically terminate if Purchaser fails to give written notice of cancellation to Seller within ten (10) days after Seller informs Purchaser of the amount of the additional expense.

7. CLOSING OF TITLE.

7.1 The act of transferring ownership of the Residential Unit in return for payment in full of the purchase price and all other sums due from Purchaser under this Purchase Agreement is known as "Closing", and shall take place at the office of the attorney for the Sponsor at such time and on such date as Seller shall designate to Purchaser by prior written notice ("Notice for Closing"), which shall be given to Purchaser (i) no less than thirty (30) days before the date set for Closing. Purchaser may waive the applicable notice period by execution of a waiver in the form set forth as **Schedule D-2** to the Purchase Agreement. In the event this Agreement is executed after

the First Closing, the closing of title shall occur thirty (30) days after the date this Agreement is executed.

7.2 The closing of title shall occur only after or concurrently with the compliance with the prerequisites as set forth under "Terms of Sale" in Part I of the Plan.

7.3 Seller shall have the right, from time to time, to adjourn such date and time for Closing on written notice to Purchaser. If the Closing is adjourned or advanced by Seller, then Seller shall, by a new Notice for Closing, fix a new date and time for Closing and shall give Purchaser not less than ten (10) days prior written notice of the new scheduled date and time for Closing.

7.4 Purchaser shall pay Sponsor's attorney's fee of \$2,500 at Closing. If the Closing takes place at the request of Purchaser at any location other than the office of Seller's attorney, Purchaser shall pay to Seller's attorney a travel fee in the sum of (1) \$500 if the Closing is held elsewhere in Manhattan; (2) \$750 if the closing is held outside of Manhattan; and (3) \$1,250 if the closing is held outside of the 5 boroughs. The Closing may not take place in any other location without Seller's prior written consent. In the event the Closing is adjourned with Seller's consent at the request of Purchaser or Purchaser's attorney within forty-eight (48) hours of the scheduled time of Closing, Purchaser shall also pay Seller's attorney an adjournment fee in the sum of \$250.

7.5 If Purchaser is not in default under this Purchase Agreement and the Closing has not taken place within twelve (12) months after the anticipated closing date, either Seller or Purchaser may cancel this Purchase Agreement by forwarding written notice of cancellation to the other no later than thirty (30) days after expiration of such twelve (12) month period (whichever is applicable) whereupon Seller shall refund to Purchaser, subject to the escrow provisions as disclosed in Part II of the Plan, all payments, other than Funds used towards upgrades, options or extras, made by Purchaser to Seller on account of the purchase price and neither party shall thereafter have any further liability or obligation to the other in connection with this Purchase Agreement or transaction. Purchaser shall be obligated to notify Seller in writing of its intent to exercise said option no later than thirty (30) days after the twelve (12) month period, whichever is applicable. Failure to so notify Seller shall be deemed a waiver of this provision, and Purchaser shall continue to be bound by the terms of the Purchase Agreement. In the event Seller shall be unable to convey title to the Residential Unit within twenty-four (24) months of the proposed date of delivery through no fault of the Purchaser, the Purchase Agreement shall be deemed null and void and Seller shall return all monies being held in escrow within thirty (30) days thereafter

7.6 The term "Closing Date" or "closing of title" or words of similar import, whenever used herein, shall mean the date designated by Sponsor on which the deed to the Unit is delivered to Purchaser, or any adjourned date fixed by Sponsor pursuant to subsection 5.1 hereof.

8. DELIVERY OF THE DEED AND POWER OF ATTORNEY.

8.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenant against grantor's acts conveying title to the Unit to Purchaser but subject, nevertheless, to the matters set forth in Schedule A annexed hereto and made a part thereof, which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be prepared by Sponsor in substantially the form set forth in Part II of the Plan and shall be executed and acknowledged by Sponsor in form for recording. Purchaser shall pay all New York State and New York City real property transfer taxes, and Sponsor and Purchaser shall duly execute a New York City Real Property Transfer Tax return and any other forms then required by Law, all of which shall be prepared by Sponsor.

8.2 At the closing of title and simultaneously with the delivery of the deed conveying the Unit to Purchaser, Purchaser shall execute and acknowledge the Power of Attorney to the Condominium Board and Sponsor substantially in the form set forth in Part II of the Plan.

8.3 The deed and Power of Attorney to the Condominium Board and Sponsor shall be delivered to the representative of the title company insuring Purchaser's title (or, if no such representative is present, then to Sponsor's attorney) for recording in the City Register's Office, which recording shall be at Purchaser's expense. After being recorded, the deed shall be returned to Purchaser and the Power of Attorney shall be sent to the Managing Agent.

9. FEE TITLE. The deed to be given by Seller to Purchaser at Closing shall be a Bargain and Sale with Covenant against Grantor's Acts deed, but subject, nevertheless, to the matters set forth in Schedule A annexed hereto and made a part thereof, which need not be recited in the deed given at Closing but shall survive Closing, and Seller's covenant in the deed against encumbrances shall be deemed modified accordingly. The deed shall be duly executed and acknowledged by Seller in proper statutory form for recording (except for payment of the New York State and City transfer tax) so as to convey to Purchaser fee simple title to the Residential Unit. The deed shall also contain the covenant required by subdivision 5 of Section 13 of the Lien Law. Seller recommends that Purchaser utilize and Purchaser shall accept such title and deed description of the Residential Unit subject to the liens, encumbrances and other matters set forth in this Purchase Agreement, as Infinity Land Services, LLC ("Infinity"), a title company authorized to do business in the State of New York, is willing to approve and insure without additional premium. Purchaser may obtain title insurance from any other title insurance company or abstract company or Purchaser may decline to obtain any title insurance at all. However, Purchasers must notify Sponsor's attorney in writing if another title company will be used to insure title. Furthermore, a title company chosen by Purchaser, other than Infinity, must agree to submit all real estate tax forms, deeds, powers of attorney, satisfactions or partial releases of mortgage, and/or other instruments that must be recorded in connection with the conveyance of a deed to a Unit Owner and all transfer taxes due in connection therewith in a timely fashion and will be obligated to

indemnify Sponsor, or if such title company refuses then Purchaser's attorney will be required to indemnify Sponsor, for such title company's failure to file such forms and/or failure to remit the required transfer taxes in connection therewith in a timely manner. Purchaser shall be responsible to pay the title company the entire premium for Purchaser's title insurance, and shall also pay the applicable New York State and City transfer tax.

10. LIENS SATISFIED AT CLOSING. The existence of unpaid taxes or liens of any kind at the time of title closing shall not constitute an objection to title, provided the Seller shall deposit a sufficient amount with Potter Wolf so that said company shall be willing to insure against collection of same from the property herein described. The parties agree that the Seller may pay and discharge any liens and encumbrances upon the property, not provided for in this Purchase Agreement, out of the monies to be paid by the Purchaser at the time of closing title

11. CLOSING ADJUSTMENTS AND REAL ESTATE TAXES.

11.1 Subject to Paragraph 15 hereof, at Closing, Purchaser shall pay, or reimburse to Seller if Seller has already made payment, in addition to all other sums payable or reimbursable elsewhere under this Purchase Agreement or listed in Section XII of the Offering Plan but not listed here, or pay to any Lender, all applicable charges including but not limited to:

(a) real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;

(b) Common Charges for the month in which title closes;

(c) accrued rent and any other charges pursuant to an interim lease or use and occupancy agreement, if any, covering the Unit;

(d) Lender's charges for inspections, appraisals, title examination and policy insuring the Lender's interest, Lender's attorneys' fees for preparation of all loan documents; all commitment fees, points, origination fees and other fees and charges (howsoever characterized) imposed or exacted by the Lender or incurred by Seller or Purchaser in connection with Purchaser's mortgage loan;

(e) mortgage recording taxes;

(f) governmental charges which may be assessed on account of the mortgage loan;

(g) mortgage insurance, if required;

(h) New York State real estate transfer tax on the deed;

(i) New York City real estate transfer tax on the deed;

(j) NYS Mansion Tax;

(k) all recording and filing charges payable on account of the transfer of title and recording of all documents in connection therewith including without limitation, any mortgage, deed, RPT, Power of Attorney, affidavit required pursuant to Section 339-ee of the New York State Real Property Law and any blanket-mortgage release documents;

(l) ACRIS preparation fees charged by the title company;

(m) a sum equal to the partial mortgage tax credit to which Purchaser may be entitled under any applicable law by reason of mortgage taxes having been previously paid by Seller;

(n) recordation or filing of the Power of Attorney to be executed by Purchaser at Closing; and

(o) creation cost;

(p) Sponsor's attorney fee pursuant to paragraph #7.

11.2 If closing of title occurs before the tax rate is fixed, adjustment of taxes shall be based upon the latest tax rate applied to the most recent applicable assessed valuation. Installments for tax assessments due after the delivery of the deed, if any, shall be paid by Purchaser and shall not be considered a defect in title. If a Unit has not been separately assessed as of the Closing Date, the adjustments and collection of taxes and future tax payments shall be as described in the Section of the Plan entitled "Closing Costs and Adjustments."

11.3 Purchaser hereby agrees that, if Sponsor obtains a refund for real estate taxes paid (or a credit for such taxes to be paid) on Purchaser's Unit, Purchaser and Sponsor will apportion the refund (as well as the costs and/or fees for obtaining the refund or credit) based on the percentage of time for which the refund or credit is obtained during which each party hereto owned the Unit in question. The provisions of this subsection shall survive the closing of title.

11.4 The "Customs in Respect of Title Closings" recommended by The Real Estate Board of New York, Inc., as amended to date, shall apply to the adjustments and other matters therein mentioned except as otherwise provided herein.

11.5 Any errors or omissions in computing apportionments at closing shall be corrected and payment made to the proper party promptly after discovery. The provisions of this subsection shall survive the closing.

12. MORTGAGE TAX CREDIT. In the event a mortgage recording tax credit becomes available pursuant to Section 339-ee(2) of the Condominium Act, it is

specifically understood that such credit shall inure to the benefit of Sponsor. Accordingly, at closing, a Purchaser who elects mortgage financing will be responsible to pay the full amount (but not in excess thereof) of the mortgage recording tax chargeable on the entire amount being financed. Sponsor at closing will be reimbursed by Purchaser to the extent of any mortgage tax credit allowed. Alternatively, Sponsor may require, in its sole discretion that a Purchaser who is financing the purchase of said Unit with a Purchase Money Mortgage, must cause the lender making such loan to accept from the Sponsor an assignment of a portion of any mortgage securing the Property in an amount up to the Purchase Money Mortgage as determined by Sponsor. Upon such assignment, that portion of the Purchase Money Mortgage assigned by Sponsor, will be exempt from mortgage recording tax under Section 255 of the Real Property Tax Law. Sponsor shall be solely entitled to the benefits of such exemption and accordingly, Purchaser must pay to Sponsor an amount equal to the mortgage recording tax which would have otherwise been due in connection with the recording of the Purchase Money Mortgage.

13. CLOSING COSTS.

13.1 In addition to those costs and adjustments described in Articles 7, 8, 9 and 11 herein, Purchaser shall be required to pay the other closing costs which are Purchaser's responsibility as more particularly described in Part I of the Plan entitled "Closing Costs and Adjustments."

13.2 Purchaser shall make a contribution to the Working Capital Fund of the Condominium, payable to the Board, in an amount equal to two (2) months' Common Charges then in effect for each Unit pursuant to the Condominium budget and in accordance with Schedule A in the Plan, as the same may be amended from time to time.

14. TRUST FUNDS. All deposits, down payments or advances towards the purchase price made by Purchaser prior to closing shall initially be held in a segregated escrow account held by MARK J. NUSSBAUM pursuant to an Escrow Agreement between Seller and the Escrow Agent, in the form set forth in Part II of the Offering Plan and pursuant to the provisions of Sections 352-h and 352-e (2-b) of the New York State General Business Law and the escrow regulations promulgated thereunder by the Department of Law of the State of New York as disclosed in Part II of the Offering Plan. Said funds shall be held in an Interest-on-Lawyers Account pursuant to Judiciary Law Section 497 in an account entitled "MARK J. NUSSBAUM & ASSOCIATES PLLC, ATTORNEY ESCROW ACCOUNT, IOLA" at Signature Bank, 71 Broadway, New York, NY 10006, account number [REDACTED]. Pursuant to Judiciary Law, Section 497, all interest earned in the IOLA account will be paid to the State of New York. All instruments shall be made payable to or endorsed to the order of MARK J. NUSSBAUM AS ATTORNEY, as Escrow Agent. The deposit by the Escrow Agent of the Purchaser's down payment into the Escrow Account shall not be deemed acceptance of the Purchase Agreement. The Purchase Agreement shall only be deemed accepted when countersigned by the Seller or Seller's authorized agent. Purchaser will be notified within thirty (30) days after submission of signed copies of this Purchase Agreement, together with the Down Payment, whether this Agreement has been accepted or rejected.

In addition, although all funds received by Seller for upgrades, options or extras to the Residential Unit will initially be placed in the Escrow Account, such funds may be released from the Escrow Account as long as the Sponsor uses the funds for such upgrade or extra. In the event Purchaser is entitled to a right of rescission, the return of their down payment shall not include any funds paid towards, upgrades, options or extras. At Closing, the down payment shall be paid to Seller upon consummation of the closing, and execution of this Purchase Agreement shall be deemed a writing executed by both Seller and Purchaser authorizing the Escrow Agent to release said funds to Seller at closing. In addition, Purchaser shall execute the release form annexed to and made a part of the Purchase Agreement as **Schedule D-4 at closing and the Tender of Escrow form annexed to and made a part of the Purchase Agreement as **Schedule D-3** upon execution of the Purchase Agreement.**

15. BINDING EFFECT OF DECLARATION, BY-LAWS AND RULES AND REGULATIONS. Purchaser hereby accepts and approves the Plan (including the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof.

16. AGREEMENT SUBJECT TO MORTGAGE. No encumbrance shall arise against the Property as a result of this Agreement or any monies deposited hereunder. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall be subject and subordinate to the lien of any mortgage, including, but not limited to, any construction or building loan mortgage, heretofore or hereafter made, any advances heretofore or hereafter made thereon, and any payments or expenses made or incurred or which hereafter may be made or incurred, pursuant to the terms thereof, or incidental thereto, or to protect the security thereof, to the full extent thereof, without the execution of any further legal documents by Purchaser. This subordination shall apply in all cases, regardless of the timing of, or cause for, the making of advances of money or the incurring of expenses. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of each Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless Purchaser voluntarily assumes such mortgage or consents to the continuation of the lien thereof. The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its (their) undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of its other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage(s) is subordinated to the Declaration.

17. DEFAULT BY PURCHASER.

17.1 The following shall constitute "Events of Default" hereunder:

- (i) Purchaser's failure to pay the balance of the Purchase Price on the Closing Date designated by Sponsor; or

(ii) Purchaser's failure to duly complete and sign before a notary public and deliver at closing the Power of Attorney or the New York State and City transfer tax returns; or

(iii) If Purchaser is or becomes the tenant of record of the Unit, Purchaser's failure to pay rent or to otherwise comply with Purchaser's lease or tenancy obligations; or

(iv) If Purchaser is or becomes the tenant of record of the Unit and Purchaser vacates or abandons the Unit; or

(v) Purchaser's assignment of any of Purchaser's property for the benefit of creditors, or Purchaser's filing a voluntary petition in bankruptcy; or

(vi) If a non-bankruptcy trustee or receiver is appointed over Purchaser or Purchaser's property, or an involuntary petition in bankruptcy is filed against Purchaser; or

(vii) If a judgment or tax lien is filed against Purchaser and Purchaser does not pay or bond the same; or

(viii) Purchaser's failure to pay any closing costs set forth in this Agreement or the Plan, on the Closing Date designated by Sponsor; or

(ix) If, prior to the closing of title, Purchaser engages in prohibited Advertising Activities (as such term is defined hereinbelow); or

(x) The failure to pay, perform or observe any of Purchaser's other obligations hereunder.

17.2 TIME IS OF THE ESSENCE with regard to Purchaser's obligations to pay the balance of the Purchase Price and to perform Purchaser's other obligations under this Agreement. If Purchaser fails to make such payment when required as herein provided or fails to perform any of Purchaser's other obligations hereunder, Sponsor shall give notice to Purchaser of such default. If such default shall not be cured within thirty (30) days thereafter, Sponsor may, at its option, cancel this Agreement by notice of cancellation to Purchaser or bring an action against Purchaser for specific performance. If Sponsor elects to cancel this Agreement, (a) Sponsor may retain all sums deposited by Purchaser hereunder (including any amounts paid by Purchaser for additional work in the Unit), as liquidated damages (Sponsor's actual damages being difficult or impossible to ascertain) and, upon retaining such sum, this Agreement shall be terminated and neither party hereto shall have any further rights, obligations or liability to or against the other under this Agreement or the Plan and (b) Sponsor may sell the Unit to any third party as though this Agreement had never been made (without any obligation to account to Purchaser for any part of the proceeds of such sale).

17.3 If Purchaser fails for any reason to close title to the Unit on the originally scheduled Closing Date (a) the closing apportionments described in Section 10 of this Agreement will be made as of midnight of the day preceding the originally scheduled Closing Date, regardless of when the actual closing of title occurs, and (b) Purchaser will be required to pay to Sponsor, as a reimbursement of Sponsor's higher carrying costs for the Unit by virtue of the delay, and in addition to the other payments to be made to Sponsor under this Agreement and the Plan, interest at the rate of fourteen (14%) percent per annum (or such lower rate per annum which is the legal limit, if 14% per annum exceeds the legal limit) on the total purchase price, computed from the originally scheduled Closing Date to (and including) the day before the actual Closing Date. If, through no fault of Purchaser, Sponsor postpones the originally scheduled Closing Date, these provisions shall apply to the rescheduled Closing Date if Purchaser fails for any reason to close title to the Unit on the rescheduled Closing Date.

18. CLOSING CONTINGENT UPON PLAN BEING DECLARED EFFECTIVE.

18.1 The respective obligations of Purchaser and Sponsor hereunder are contingent upon the Plan being declared effective. The Plan shall not be declared effective except in accordance with the prerequisites set forth in the Plan, as same may be amended from time to time. Purchaser understands and agrees that Sponsor shall have the right to abandon the Plan at any time prior to its being declared effective or thereafter in certain limited cases set forth in the Plan (see the Section in the Plan entitled "Effective Date" for full details). The Plan will be abandoned or deemed abandoned if it has not been declared effective within the time limits prescribed in the Plan. Sponsor shall notify Purchaser, in writing or by a duly filed amendment to the Plan, when the Plan becomes effective or is abandoned.

18.2 If the Plan is abandoned or Sponsor elects not to declare the Plan effective or if after being declared effective the Plan will not be consummated for any reason, this Agreement will be deemed canceled and the Down Payment paid by Purchaser hereunder, together with interest earned thereon, if any, will be disbursed to Purchaser, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Unit, as more particularly described in the Section of the Plan, entitled "Effective Date." After the monies are so disbursed, Purchaser and Sponsor will have no claim against each other or the Selling Agent in connection with this Agreement or the Plan, and all of same will be released and discharged from all liabilities and obligations hereunder and under the Plan.

19. CONSTRUCTION.

19.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be substantially in accordance with the Plan and the Plans and Specifications, subject to the right of Sponsor to amend the Plan and the Plans and Specifications in order to substitute materials,

equipment or fixtures of equal or better quality, provided that the approval of any governmental authorities having jurisdiction is first obtained (if required). The issuance of a temporary or permanent Certificate of Occupancy for the Building shall be deemed presumptive evidence that the Building and the Unit have been fully completed in accordance with the Plan and the Plans and Specifications. However, nothing herein contained shall excuse the Sponsor from its obligation to correct any defects in construction in accordance with the conditions set forth in the Plan in the Section entitled "Rights and Obligations of Sponsor."

19.2 The construction of the Building and the Unit and the correction of any defects in the construction thereof to the extent required under the Plan are the sole responsibility of Sponsor. Purchaser acknowledges and agrees that Sponsor will not be liable for, and will have no obligation to correct, certain variations from the Plan and the Plans and Specifications as indicated in the Section of the Plan entitled "Rights and Obligations of Sponsor" and will only be responsible to correct any construction defects to the extent, and on the terms and conditions set forth in such Section.

19.3 Sponsor has projected that, based upon currently anticipated schedules, construction of the Building will be sufficiently completed to permit closings of Units to begin on or about January 1, 2018. Given the vagaries of the construction process, it is difficult to predict, with precision, the date Sponsor will first be able to close title to the Units. The actual date for the First Closing is only an estimate and is not guaranteed or warranted. Accordingly, the First Closing may occur sooner or later than the projected first year of Condominium operation and closings to certain Units may occur substantially before or after closings for other Units. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes, acts of terrorism, acts of God, late delivery or inability to obtain on a timely basis materials or equipment, governmental restrictions, or other events beyond Sponsor's reasonable control. Sponsor will have no liability to any Purchaser, nor will a Purchaser be entitled to any credit, offset or reduction in the purchase price for his or her Unit or otherwise be relieved from any obligations under the Purchase Agreement in the event the First Closing occurs earlier or later than the targeted date or the time to complete or to close title to such Purchaser's Unit is accelerated, delayed or postponed by Sponsor, provided however, that in the event the First Closing does not occur within twelve (12) months after the date set forth in Schedule B as the commencement date for the projected First Year of Condominium Operation then Sponsor will offer Purchasers (other than Purchasers who are then in default beyond any applicable grace period under their Purchase Agreements, if the Plan was declared effective) the right to rescind their Purchase Agreements within 15 days after such 12-month period, and any Purchaser electing rescission pursuant to such offer will have their Deposit returned.

20. INSPECTION DURING CONSTRUCTION. Unless specifically agreed to by Seller, Purchaser shall not visit the construction site. Any unauthorized visits to the construction site by Purchaser are subject to a charge by Seller of \$500 per visit, which Purchaser agrees to pay Seller within ten (10) days of billing thereof. Purchaser acknowledges that unsupervised visits to the construction site present a dangerous circumstance and could incur liability to Seller. Purchaser hereby releases and

agrees to indemnify, defend and hold Seller harmless for all claims and liabilities incurred by Seller resulting from the presence of Purchaser or Purchaser's family members or invitees on the Premises or Seller's other property during the term of this Purchase Agreement.

21. DAMAGE TO PUBLIC IMPROVEMENTS, AMENITIES AND COMMON ELEMENTS. Purchaser shall repair and/or restore to their original condition and standards any public improvement, amenity or Common Element on the Property damaged by Purchaser or Purchaser's agents, employees, contractors or licensees. Upon failure of Purchaser to complete such repair and/or restoration work within thirty (30) days after written notice from Seller, then and in that event, Seller may complete same at the expense of Purchaser who shall reimburse Seller for the cost thereof immediately upon demand. This paragraph shall survive delivery of the deed.

22. PURCHASERS' INTERFERENCE. Purchaser acknowledges that it may not interfere with Seller's ability to construct this or other Residential Unit(s) or facilities, including interference with work performed on site by Seller's staff in connection with the construction of Purchaser's Residential Unit or any other Residential Unit, attempts to hire any of Seller's staff or contractors, and/or attempts to bring contractors, materialman, subcontractors or workers onto the site for work on Purchaser's Residential Unit prior to Closing title to the Residential Unit, unless otherwise agreed to in writing by Seller.

23. EXTRA WORK AND EXTRA ITEMS ORDERED BY PURCHASER. Any work or items ordered from Seller by Purchaser which are not included in the plans or standard model of the Residential Unit shall, except as may otherwise be provided in this Purchase Agreement or in a writing signed by Seller, be paid for in full by Purchaser at the time they are ordered. The failure of Seller to perform or supply and install such work or items shall not entitle Purchaser to cancel this Purchase Agreement even if Purchaser has already paid for such work or items. Purchaser's only right in the event of Seller's failure to perform such extra work or supply and install such extra items is to receive a refund or credit at the time of Closing equal to the total payments made to Seller for such extra work or extra items. Seller shall have no responsibility for any work, fixtures, appliances, equipment or materials not ordered directly from Seller by Purchaser. For the purposes of this provision, any orders which Purchaser places directly with Seller's contractors or suppliers shall not be deemed to have been ordered directly from Seller

24. OPTIONS AND COLOR SELECTIONS. Any choices given by Seller to Purchaser in colors, products, materials, design, features and similar matters shall be made by Purchaser in writing at Seller's office or model site, within ten (10) days after notification to Purchaser to make such choices. If there is anything as to which Purchaser has a choice, and Purchaser fails to inform Seller of Purchaser's choice within such ten (10) day time period, then Seller may make the choice on Purchaser's behalf and Purchaser shall accept such choice so made by Seller as if originally made by Purchaser. No claim or objection to Closing shall be made by Purchaser because of any choice made by Seller in any case where Purchaser failed to give Seller timely notice of Purchaser's choice.

25. CONSTRUCTION SITE. Purchaser acknowledges that they may be living in an active construction site after they close on their Residential Unit. During this period of construction there may be dirt and debris and construction material on site, construction vehicular traffic, construction noises, unfinished areas of the Condominium and other inconveniences, which are normal in a community undergoing construction.

26. SPONSOR'S INABILITY TO CONVEY THE UNITS. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan, Sponsor will not be obligated to bring any action or proceeding or otherwise incur any cost or expense of any nature whatsoever in excess of its obligations set forth in the Plan in order to cure such inability, and, in such case, if Sponsor notifies Purchaser of its refusal to cure such inability and if Purchaser is not in default hereunder, Purchaser's sole remedy will be to either (a) take title to the Unit subject to such inability (without any abatement in, or credit against, the Purchase Price, or any claim or right of action against Sponsor for damages or otherwise) or (b) terminate this Agreement. If Purchaser so elects to terminate this Agreement, Sponsor will, within thirty (30) days after receipt of notice of termination from Purchaser, return to Purchaser the Down Payment paid by Purchaser hereunder, subject to Sponsor's rights to retain certain funds deposited by Purchaser for special work in the Unit, as more particularly described in the Section of the Plan, entitled "Terms of Sale," and, upon making such payment, this Agreement will be terminated and neither party hereto will have any further rights, obligations or liability to or against the other under this Agreement or the Plan. The foregoing remedy must be exercised by notice of Purchaser in writing to Sponsor within fifteen (15) days after the giving of Sponsor's notice of refusal to cure such inability, failing which it will be conclusively deemed that Purchaser elected the remedy described in clause (a) above (i.e., to acquire title subject to such inability).

27. FIXTURES, APPLIANCES AND PERSONAL PROPERTY. Only those appliances, fixtures, and items of personal property that are described in the Plan as being included in the Unit are included in the sale of the Unit pursuant to this Agreement. The Unit is being sold unfurnished. Furniture, wall coverings, furnishings, decorations and the like in or about any model unit is for display purposes only and is not included in this sale. Any floor plans or sketches shown to Purchaser or included in the Plan are only approximations of the Unit's dimensions and arrangement, and Purchaser should not rely thereon.

28. ACCEPTANCE OF CONDITION OF PROPERTY. The signing of this Agreement by Purchaser signifies Purchaser's acceptance of the condition of the Property including the Building, the Common Elements, the Unit and all fixtures, machinery, equipment, furnishings, appliances, installations and other personal property contained therein (hereinafter collectively called "Installations"), in their respective existing conditions, ordinary wear and tear excepted between the date Purchaser signs this Agreement and delivery of the deed to Purchaser. Purchaser represents that he/she has not relied upon any information such Purchaser may have seen in any Unit or any models and sales and/or promotion offices in connection with the sale of the Units. Purchaser understands that Sponsor has no obligation to make any repairs, improvements or decorations in or to the Property, the Building, the Unit or the Installations, except as may

otherwise be set forth in the Plan. Sponsor has agreed in the Plan to Maintain the Building and the Common Elements in substantially the same condition they were in on the Filing Date, until the First Closing (subject to ordinary wear and tear between the Filing Date and the First Closing), unless prevented from so doing by reason of acts or events beyond Sponsor's control, as more particularly set forth in the Plan. Sponsor is not making any express or implied warranties of fitness for a particular purpose, merchantability or habitability. Without limiting the generality of the foregoing, Sponsor hereby disclaims any and all express or implied warranties as to view, light quality, sound and/or odor transmission, the existence of molds, mildew, spores, fungi and/or other toxins within the Condominium. Sponsor has not given and Purchaser has not relied on or bargained for any such warranties. In no event will Sponsor be liable for incidental or consequential damages (whether based on negligence, breach of contract, warranty, or otherwise). Purchaser shall be given a reasonable opportunity to examine the Unit prior to closing and it is recommended that Purchaser make a careful examination at such time. Purchaser acknowledges that Purchaser must make arrangements to move into the Unit following the Closing and Purchaser agrees to follow the move-in procedures established by Sponsor or the Condominium Board. The provisions of this paragraph shall survive Closing.

29. DAMAGE TO THE UNIT. If between the date of this Agreement and the closing of title the Unit is damaged by fire or other casualty, the following shall apply:

29.1 If Purchaser is the existing tenant or occupant of the Unit, or if Purchaser is given possession of the Unit prior to closing under an Interim Lease or use and occupancy agreement or otherwise, then Purchaser shall be solely responsible for any damage to, or loss or other condition in, the Unit resulting from Purchaser's use or occupancy, and Sponsor shall not be obligated to make any repairs to the Unit or its Installations. However, until closing Sponsor will remain responsible to make those repairs required of it as landlord under any existing lease or Interim Lease or use and occupancy agreement and, after closing, the Condominium Board will be responsible to make those repairs required of it under the Condominium Declaration and By-Laws.

29.2 If during Purchaser's occupancy the Unit is damaged by casualty or otherwise, then Purchaser shall assume the risk of loss and the obligation to repair the damage, unless the cause thereof originated outside the Unit and did not result from the acts of Purchaser or other occupants of the Unit or Purchaser's guests, invitees or workperson. If Purchaser is obligated to repair the damage, then Purchaser's failure to make such repair shall not excuse Purchaser from paying the Balance and accepting delivery of the deed.

29.3 Except as provided in the preceding paragraph, all other risk of loss prior to closing has been assumed by Sponsor, but without any obligation or liability of Sponsor to repair the damage or restore the Unit. If Sponsor elects to repair or replace the loss or damage, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title to the Unit or to receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time to complete, or to permit the Condominium Board to complete, such repairs or

replacements. Purchaser shall not be required to pay the Balance unless and until: (i) the Unit has been substantially repaired to as near as reasonably possible to its condition immediately prior to the casualty and (ii) its essential services (such as gas, electricity, and heat) and a reasonable means of ingress and egress to the street have been restored. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss, shall belong entirely to Sponsor (subject to the rights, if any, of the Condominium Board or other Unit Owners) and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing.

29.4 In the event Sponsor notifies Purchaser that it does not elect to repair or restore the Unit or if the Condominium Board does not do so and Purchaser declines to accept the Unit without such repairs, this Agreement shall be deemed canceled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited hereunder, whereupon the parties shall be released and discharged from all obligations and liability hereunder and under the Plan, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall be entitled to retain the Down Payment pursuant to the Paragraph Down Payment.”

30. NO REPRESENTATIONS. Purchaser acknowledges that Purchaser has not relied upon any architect’s plans, sales plans, selling brochures, advertisements, representations, warranties, statements or estimates of any nature whatsoever, whether written or oral, made by Sponsor, Selling Agent or otherwise, including, but not limited to, any relating to the description or physical condition of the Property, the Building or the Unit, or the size or the dimensions of the Unit or the rooms therein contained or any other physical characteristics thereof, the services to be provided to Unit Owners, the estimated Common Charges allocable to the Unit, the estimated real estate taxes on the Unit, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, the right to any income tax credit with respect to the purchase of the Unit, or any other data, except as herein or in the Plan specifically represented, Purchaser having relied solely on such Purchaser’s own judgment and investigation in deciding to enter into this Agreement and purchase the Unit. No person has been authorized to make any representations on behalf of Sponsor except as herein or in the Plan specifically set forth. No oral representations or statements shall be considered a part of this Agreement. Sponsor makes no representation or warranty as to the work, materials, appliances, equipment or fixtures in the Unit, the Common Elements or any other part of the Property other than as set forth herein or in the Plan.

31. PROHIBITION AGAINST ADVERTISING. Prior to the closing of title, Purchaser agrees not to list the Unit for resale or rental with any broker or to advertise or otherwise offer, promote or publicize the availability of the Unit for sale or lease (“Advertising Activities”), without Sponsor’s prior written consent. If Purchaser engages in any of the foregoing Advertising Activities, it shall be considered an Event of Default under Paragraph 16 hereinabove thereby entitling Sponsor any and all remedies set forth in Paragraph 16 of this Agreement.

32. ATTORNEYS. The attorneys representing the Seller or any Lender represent such parties only and not the Purchaser. The Purchaser may retain independent counsel at Purchaser's own expense in order to protect Purchaser's own interest.

33. BROKER. Purchaser represents to Sponsor that [] is [are] the only broker(s) or sales agent(s) with whom Purchaser has dealt in connection with this transaction, and Sponsor agrees to pay the commission earned by said broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the aforementioned broker, on account of any acts of Purchaser or Purchaser's representatives, Purchaser will indemnify and hold Sponsor free and harmless from and against any and all liabilities and expenses in connection therewith, including reasonable legal fees. The provisions of this Article shall survive the closing of title.

34. AGREEMENT MAY NOT BE ASSIGNED. Purchaser does not have the right to assign this Agreement without the prior written consent of Sponsor. If Purchaser is a corporation, partnership, limited liability company, trust or other legal entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the ownership interest of Purchaser (including without limitation, the stock, membership or beneficial interests of the stockholders, partners, members or beneficiaries of Purchaser or its stockholders, partners, members or beneficiaries) shall be considered an assignment of this Agreement and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement. For purposes of this Agreement, it is the intent of the part(ies) that the individuals controlling Purchaser shall be deemed to be _____. Any purported assignment by Purchaser in violation of this Agreement will constitute a default hereunder and will be voidable by Sponsor. Sponsor's refusal to consent to an assignment will not entitle Purchaser to cancel this Agreement or give rise to any claim for damages against Sponsor. If Sponsor, in its sole discretion, consents to a Purchaser's request for an assignment of this Agreement, or for the addition, deletion or substitution of names on this Agreement, then Purchaser will be required to pay Sponsor's attorneys a fee of \$500, in advance, for preparation of an assignment agreement.

35. NOTICES. Any notice, request, letter, consent or other communication hereunder or under the Plan (other than amendments to the Plan which shall be served in accordance with the Plan or documents for which the method of notice and or delivery is otherwise set forth in the Plan) shall be in writing and delivered by email, hand delivered or sent, postage prepaid, by registered or certified mail, or by Federal Express or other reputable overnight courier, to the attorneys for the parties. If sent to Sponsor's attorney, to Mark J. Nussbaum, 225 Broadway, 39th Floor, New York, NY 10007, and if to Purchaser's attorney _____, or to such other address as either party may hereafter designate to the other in writing. Except as otherwise expressly provided herein, the date of hand delivery or 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. Any notice either of the parties hereto receives from the other party's attorneys shall be deemed to be notice from such party itself (including, without limitation, any notices of closing or default which Sponsor's

counsel is hereby expressly designated and empowered to issue). A failure by Purchaser to acknowledge receipt of any notice, request, letter, consent or other communication hereunder shall not in anyway invalidate such communication. Notwithstanding anything to the contrary, notices regarding closing costs or ministerial matters, the rescheduling of Closing Dates or the scheduling or rescheduling of inspections may be made by facsimile to each party's attorneys.

36. JOINT PURCHASERS. The term "Purchaser" shall be read as "Purchasers" if more than one person are purchasing, in which case their obligations shall be joint and several.

37. PERFORMANCE BY AND LIABILITY OF SPONSOR. Purchaser's acceptance of the deed for the Unit shall be deemed to be a full performance and discharge of each and every agreement and obligation on the part of Sponsor to be performed pursuant to the provisions of this Agreement, the Plan, 13 NYCRR, Part 20 (the regulations of the Attorney General of the State of New York governing the acceptance for filing of the Plan) and General Business Law §352-e, except those (if any) herein or therein expressly stated to survive delivery of such deed.

38. FURTHER ASSURANCES. Either party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, in addition to the instruments and actions specifically provided for herein, as such other party may reasonably request in order to effectuate the provisions of this Agreement or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

39. AGREEMENT NOT CONTINGENT UPON FINANCING. The terms and provisions of this Agreement and Purchaser's obligations hereunder are not contingent upon Purchaser securing financing of the Purchase Price (or any portion thereof) stated in Section 4 of this Agreement, and Purchaser understands and agrees that Purchaser's failure to obtain such financing will not relieve Purchaser of Purchaser's obligations hereunder. Purchaser further understands and agrees that if Purchaser chooses to finance Purchaser's purchase of the Unit through a lending institution and obtain a commitment therefrom, neither a subsequent change in the terms of such commitment, the expiration or other termination of such commitment, nor any change in Purchaser's financial status or condition shall release or relieve Purchaser of Purchaser's obligations pursuant to this Agreement. If Purchaser obtains mortgage financing, Purchaser shall pay an additional fee of \$500 to Sponsor's counsel to defray the additional cost associated therewith.

40. PURCHASER MAY NOT TAKE POSSESSION OF THE RESIDENTIAL UNIT PRIOR TO CLOSING. Neither Purchaser nor anyone acting on Purchaser's behalf may enter or take possession of any part of the Residential Unit nor have any work performed or materials supplied or installed at the Residential Unit prior to Closing without the prior written consent of Seller.

41. EXECUTION OF REQUIRED DOCUMENTS. Purchaser agrees to perform all acts required by the Seller to carry out the provisions of the Offering Plan, establish

the Condominium, and conform to the provisions of all applicable laws and regulations. This Paragraph shall survive delivery of the deed

42. COSTS OF ENFORCING AND DEFENDING AGREEMENT. Purchaser shall be obligated to reimburse Sponsor for any legal fees and disbursements incurred by Sponsor in defending Sponsor's rights under this Agreement or, in the event Purchaser defaults under this Agreement beyond any applicable grace period, in canceling this Agreement or otherwise enforcing Purchaser's obligations hereunder.

43. SEVERABILITY. If any provision of this Agreement or the Plan is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Agreement or the Plan and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Agreement or the Plan, except as otherwise herein or therein provided, shall be valid and enforced to the fullest extent permitted by Law.

44. STRICT COMPLIANCE. Any failure by Sponsor to insist upon the strict performance by Purchaser of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and Sponsor, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Purchaser of any and all of the provisions of this Agreement to be performed by Purchaser.

45. GOVERNING LAW. The provisions of this Agreement shall be governed by and construed in accordance with the internal Laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York, without regard to principles of conflicts of Law.

46. ZONING. It is understood and agreed that should zoning and/or building restrictions and regulations, imposed by any Governmental body having jurisdiction over the construction of residential housing and appurtenances, either presently in effect or as enacted or promulgated in the future, create or impose requirements upon the Seller which are not presently contemplated, then in that event the Seller may cancel this Purchase Agreement with a notice in writing addressed to the Purchaser at their address herein above set forth and return all funds deposited hereunder within thirty (30) days of such notice and upon making such payment, this Purchase Agreement shall be terminated and neither party shall have any further rights, obligations or liability to or against the other and the parties shall be released and discharged from all obligations and liability under this Purchase Agreement and the Offering Plan.

47. WAIVER OF JURY. EXCEPT AS PROHIBITED BY LAW, THE PARTIES SHALL, AND THEY HEREBY DO, EXPRESSLY WAIVE TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF, OR CONNECTED WITH, OR RELATING TO, THE PLAN THIS AGREEMENT OR THE RELATIONSHIP CREATED HEREBY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE CLOSING OF TITLE.

48. PURCHASER'S REPRESENTATIONS.

48.1 Purchaser represents that Purchaser has full right and authority to execute this Agreement and perform Purchaser's obligations hereunder. If Purchaser is not a natural person, Purchaser agrees to deliver at Closing, such documents evidencing Purchaser's authority as may be required by the title company. Purchaser further represents that the deposit represents Purchaser's own funds and that no other party (other than Purchaser or Seller, as provided herein) has any right or claim to all or any portion of the Deposit.

48.2 Purchaser is not now, nor shall it be at any time prior or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate trust or any other form of entity (collectively, a "Person") with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a "US Person"), is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders, and lists published by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") (including those executive orders and lists published by OFAC with respect to persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom US Persons may not transact business or must limit their interactions to types approved by OFAC or otherwise. Neither Purchaser, nor any Person who owns an interest in Purchaser, is now nor shall be, at any time prior to or at the closing of title, a Person with whom a US Person, including a "financial institution" is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under United States law, regulation, executive orders, and lists published by the OFAC or otherwise.

48.3 Purchaser has taken, and shall continue to take until the closing of title, such measures as are required by applicable law to assure that the funds used to pay to Seller the Purchase Price are derived: (i) from transactions that do not violate United States law nor, to the extent such funds originate outside the United States, do not violate the laws of the jurisdiction in which they originated; and (ii) from permissible sources under United States law and to the extent such funds originate outside the United States, under the laws of the jurisdiction in which they originated. Purchaser is, and will at closing be, in compliance with any and all applicable provisions of the USA Patriot Act of 2001, as amended, Pub. L. No. 107-56, the Bank Secrecy Act of 1970, as amended, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. Section 1701 et. Seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as law relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

48.4 The provisions of this article shall survive the closing of title to the Unit or termination of this Agreement.

49. ENTIRE AGREEMENT. This Agreement supersedes any and all understandings and agreements between the parties with respect to the subject matter hereof.

50. CERTAIN REFERENCES. A reference in this Agreement to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires. The terms "herein," "hereof" or "hereunder" or similar terms used in this Agreement refer to this entire Agreement and not to the particular provision in which the term is used, unless the context otherwise requires. Unless otherwise stated, all references herein to Articles, Sections, subsections or other provisions are references to Articles, Sections, subsections or other provisions of this Agreement.

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

52. RULE OF CONSTRUCTION. There shall be no presumption against the draftsperson of this Agreement.

53. SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

54. NO ORAL CHANGES. This Agreement cannot be changed or terminated orally. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES HERETO OR BY AN AMENDMENT TO THE PLAN.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date below.

Date: _____
(To be inserted after
execution by Sponsor)

SPONSOR:

4st Park Slope Development LLC

By: _____
Name:
Title:

PURCHASER:

(Social Security or Federal
I.D. Number) _____

(Social Security or Federal
I.D. Number) _____

YOU, AS THE PURCHASER OF THE RESIDENTIAL UNIT, MAY REQUIRE THE RECIPIENT OR CONTRACTOR TO DEPOSIT THE INITIAL ADVANCE MADE BY YOU IN AN ESCROW ACCOUNT. IN LIEU OF SUCH DEPOSIT, THE RECIPIENT OR CONTRACTOR MAY POST A BOND OR PURCHASE AGREEMENT OR INDEMNIFY WITH YOU GUARANTEEING THE RETURN OF SUCH ADVANCE.

SCHEDULE A
PERMITTED ENCUMBRANCES

1. Building restrictions and zoning and other regulations, resolutions and ordinances and any amendments thereto now or hereafter adopted.
2. Any state of facts which an accurate survey of the Unit would show, provided such state of facts would not make title to the Unit uninsurable, except as otherwise permitted herein.
3. The terms, burdens, covenants, restrictions, conditions, easements and rules and regulations, all as set forth in the Declaration, the By-Laws and the Rules and Regulations, the Power of Attorney from the Purchaser to the Condominium Board, and the Floor Plans; as all of the same may be amended from time to time.
4. Consents by the Sponsor or any former owner of the Land for the erection of any structure or structures on, under or above any street or streets on which the Property may abut.
5. Any easement or right of use in favor of any utility company for construction, use, Maintenance or repair of utility lines, wires, terminal boxes, mains, pipes, cables, conduits, poles and other equipment and facilities on, under and across the Property.
6. Revocability of licenses for vault space, if any, under the sidewalks and streets.
7. Encroachments of stoops, areas, cellar steps or doors, trim, copings, retaining walls, bay windows, balconies, sidewalk elevators, fences, fire escapes, cornices, foundations, footings and similar projections, if any, on, over, or under the Property or the streets or sidewalks abutting the Property, and the rights of governmental authorities to require the removal of any such projections and variations between record lines of the Property and retaining walls and the like, if any.
8. Leases and service, maintenance, employment, concessionaire and license agreements, if any, of other Units or portions of the Common Elements.
9. The lien of any unpaid Common Charge, real estate tax, water charge or sewer rent, or vault charge, provided the same are adjusted at the closing of title.
10. The lien of any unpaid assessment payable in installments (other than assessments levied by the Condominium Board), except that the Sponsor shall pay all such assessments due prior to the Closing Date (with the then current installment to be apportioned as of the Closing Date) and the Purchaser shall pay all assessments due from and after the Closing Date.
11. Any declaration or other instrument affecting the Property which the Sponsor deems necessary or appropriate to comply with any law or requirement of the

Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the demolition, construction, alteration, repair or restoration of the Building.

12. Any encumbrance as to which _____ (or such other New York Board of Title Underwriters member title insurance company which insures the Purchaser's title to the Unit) would be willing, in a fee policy issued by it to the Purchaser, to insure the Purchaser that such encumbrance (1) will not be collected out of the Unit if it is a lien or (2) will not be enforced against the Unit if it is not a lien.

13. Any other encumbrance, covenant, easement, agreement, or restriction against the Property other than a mortgage or other lien for the payment of money, which does not prevent the use of the Unit for residential purposes.

14. Any lease covering the Unit made from the Sponsor to the Purchaser, or if applicable, any lease covering, or tenancy or occupancy of, the Unit and the rights of such tenant(s) and occupant(s), if any, under the Rent Laws, GBL or other applicable Law.

15. Any violation against the Property (other than the Unit), which is the obligation of the Condominium Board, or another Unit Owner to correct.

16. Any other liens, encumbrances, and title conditions set forth in the Unit Owner's Specimen Title Policy set forth in Part II of the Plan.

POWER OF ATTORNEY

Terms used in this Power of Attorney which are used (a) in the declaration (the "Declaration") submitted by 4ST PARK SLOPE DEVELOPMENT LLC ("Declarant") establishing a plan for condominium ownership of the premises known as The 539 4th Street Condominium and by the street number 539 4th Street, Brooklyn, NY under Article 9-B of the Real Property Law of the State of New York, dated _____, 2018, and recorded in the New York County Office of the Register of The City of New York on _____, 2018, in CRFN _____ or (b) in the By-Laws of The 539 4th Street Condominium (the "By-Laws") attached to, and recorded together with, the Declaration, shall have the same meanings in this Power of Attorney as in the Declaration or the By-Laws.

The undersigned, _____, the owner of the Condominium Unit (the "Unit") in the 539 4th Street Condominium which is (are) designated and described as Unit No. _____ in the Declaration and also designated as Tax Lot ____, in Block 1081 of the Borough of Brooklyn on the Tax Map of the Real Property Assessment Department of The City of New York and on the Floor Plans, do(es) hereby nominate, constitute and appoint the persons who may from time to time constitute the Condominium Board, true and lawful attorneys-in-fact for the undersigned, coupled with an interest, with power of substitution, in their own names, as members of the Condominium Board or in the name of their designee (corporate or otherwise), on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, (1)(a) following due authorization by a Majority of Unit Owners, to acquire or lease any Unit, together with its Appurtenant Interests, from any Unit Owner desiring to sell, convey, transfer, assign, surrender or lease the same, (b) to acquire any Unit, together with its Appurtenant Interests, from any Owner who elects to surrender the same pursuant to the By-Laws, and (c) following due authorization by a Majority of Unit Owners, to acquire any Unit, together with its Appurtenant Interests, which becomes the subject of a foreclosure or other similar sale, all on such terms and at such price or rental, as the case may be, as said attorneys-in-fact shall deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and, after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired by them, or to sublease any Unit so leased by them without the necessity of further authorization by the Unit Owners, on such terms as said attorneys-in-fact may determine, granting to said attorneys-in-fact the power to do all things in the said premises which the undersigned could do if the undersigned were personally present, (2) upon determination by the Condominium Board, to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate, and (3) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Common Elements which the Condominium Board, with respect to the General Common Elements and the Condominium Board with respect to the Building deem necessary or appropriate to comply with any ordinance, regulation, zoning resolution or requirement of the

Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance of the General Common Elements or the Building as the case may be, (b) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Building which the Condominium Board deems necessary or appropriate or (c) any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the General Common Elements which 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.

The undersigned, do(es) hereby nominate, constitute and appoint the Declarant, true and lawful attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, on behalf of all Unit Owners, in accordance with such Unit Owners' respective interests in the Common Elements, subject to the provisions of the By-Laws then in effect, to execute an amendment to the Declaration, By-Laws and the Rules and Regulations of the Condominium or any permits, applications or documents required to undertake, perform or complete work to the Unsold Units or Common Elements by Declarant or obtain an amended certificate of occupancy therefor, or any of said documents when such amendment (i) shall be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the aforesaid Units resulting therefrom made by Declarant in accordance with the Declaration or (ii) shall be required by an (x) Institutional Lender designated by Declarant to make a mortgage loan secured by a mortgage on any Unit, (y) any governmental agency having regulatory jurisdiction over the Condominium, or (z) any title insurance company selected by Declarant to insure title to any Unit, provided, however, that any amendment made pursuant to the terms of this paragraph shall not (i) change the Common Interest of the Undersigned's Unit, (ii) require a material or 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.

This Power of Attorney shall be irrevocable.

IN WITNESS WHEREOF, the undersigned has/have executed this Power of Attorney as of the ____ day of _____, 2018.

_____, Purchaser

State Of New York)
)ss.:
County Of New York)

On the _____ day of _____ in the year 2018 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) acted, executed the instrument.

Notary Public

UNIT DEED

THIS INDENTURE made the _____ day of _____, 2018, between 4ST PARK SLOPE DEVELOPMENT LLC, with an address at 29 West 17th Street, 2nd Floor, New York, New York 10011 (hereinafter "Grantor"), and _____, (hereinafter "Grantee");

WITNESSETH:

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

Unit ____; Block 1081, Lot ____, as more particularly described in the attached Schedule A.

TOGETHER with any strips or gores adjoining the above described premises on any of the sides thereof;

TOGETHER with an undivided _____ percent interest in the Common Elements of the Property described in said Declaration (hereinafter called the "Common Elements");

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 by fire or other casualty, or after taking in condemnation or eminent domain proceedings, or by reason of an 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 an easement in common with the Owners of other Units to use any pipes, wires, ducts, cables, conduits, public utility lines, and other Common Elements located in any of the other Units or elsewhere on the Property, and serving the Units;

TOGETHER with the appurtenances and all the estate and rights of the Grantor in, and to, the Unit;

TOGETHER with and subject to all easements of necessity in favor of the Unit, or in favor of other Units, or the Common Elements;

SUBJECT to easements in favor of adjoining Units and in favor of the Common Elements for the continuance of all encroachments of such adjoining Units or Common Elements on the Unit, now existing as a result of construction of the Buildings, or as a result of repair or restoration of the Buildings, or any adjoining Unit, or of the Common Elements, after damage, condemnation, or eminent domain proceedings, or by reason of an 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. Each Unit shall be subject to the aforesaid easements in favor of all other Units.

TOGETHER with and subject to easements, rights of way, restrictions and encumbrances created by the Declaration for The 539 4th Street Condominium recorded in the Kings County Office of the Register of the City of New York on the ____ day of _____, 2018, CRFN _____.

SUBJECT to the provisions of the Declaration, By-Laws, and Floor Plans of the Condominium recorded simultaneously with and as part of the Declaration, as the same may be amended from time to time by instruments recorded in the New York County Office of the Register of the City of New York, which provisions, together with any amendments thereto, shall constitute covenants running with the land and shall bind any person having time, any interest, or estate in the Unit, as though such provisions were recited and stipulated at length herein;

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

TO HAVE AND TO HOLD the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

The use for which the Unit is intended is that of a residence and/or professional office as permitted by the By-Laws and the Declaration.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to, the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of the Condominium Act shall control.

The Grantor, in compliance with Section 13 of the Lien Law, covenants that the Grantor will receive the consideration for this conveyance, and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the 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.

IN WITNESS WHEREOF, the Grantor has duly executed this Deed the day and year first above written.

4ST PARK SLOPE DEVELOPMENT LLC

By: _____,
Member, Grantor

State Of New York)
)ss.:
County Of New York)

On the _____ day of ____ in the year 2018 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) acted, executed the instrument.

Notary Public

DESCRIPTION OF PROPERTY

Premises known as

**539 Fourth Street
Brooklyn, New York 11215**

PREPARED BY

**Wu Chen, P. E.
86 - 16 Queens Boulevard Suite 205
Elmhurst, New York 11373**

Revised: July 10th, 2017
Revised: September 27, 2017
Revised: October 19, 2017

The Following Information Was Obtained From The Property Developer And Municipal Agencies

(a) Location and Use of Property

(1) Address;

539 Fourth Street, Brooklyn, NY 11215

(2) Block And Lot Numbers;

Tax Block: 1081

Tax Lot: 71

(3) Zoning;

The site is located in a R7B Zone, which is a General Residence District zone as designated on Map 16d of the NYC Zoning Resolution

(4) Permissible Use;

The New York City Zoning Resolution permits Use Group 2 Residential Use as a matter of right

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 NYC Local Law 58/57

STATEMENT:

The property and proposed use will comply with all NYC DOB zoning and use requirements at closing

(b) Status Of Construction

SPECIAL RISKS

Certificate of Occupancy:

This building does not have a new Certificate of Occupancy. NYC Housing Maintenance Code Section 27-2089 Requirements for re-occupancy of vacant multiple dwellings. This provision of the code requires that any multiple dwelling, if vacant for 60 days or more, must obtain a new Certificate of Occupancy prior to being reoccupied, except in certain narrow conditions that do not apply to this building. It is therefore a Special Risk that no new Certificate of Occupancy has been obtained. The DOB may at any time require that the building be vacated until such a document is filed for and properly obtained.

Sprinkler System:

NYC Building Code 901.9.4 requires the installation of a sprinkler system if the cost of construction in a renovation such as this building exceeds certain limits. No calculation was done to show that a new sprinkler system was or was not required. However because of the scope of work for this building, it is extremely likely that the limit was exceeded and sprinklers are required. Because of the lack of a sprinkler system, the fire safety of the building is not up to current standards, which standards have been in effect since 1999. The Department of Buildings may at any time determine that a sprinkler system is in fact required. The cost of installing the system could be considerable, and will be borne by the purchasers of condominium units. Installation will also result in inconvenience from construction activity and dust.

(1) Year Built;

The original building was built in 1905. The alteration and renovation project is currently under construction.

The anticipated completion date is October of 2017.

(2) Class Of Construction;

Pre-1968 NYC Building Code

TYPE II - A / Protected Combustible

4 Hr. Exterior Walls

1 Hr. Structural Frame

1 Hr. Floor / Ceiling / Roof

(3) Certificate Of Occupancy, Type And Number

Special Risk

Certificate of Occupancy:

This building does not have a new Certificate of Occupancy. NYC Housing Maintenance Code Section 27-2089 Requirements for re-occupancy of vacant multiple dwellings. This provision of the code requires that any multiple dwelling, if vacant for 60 days or more, must obtain a new Certificate of Occupancy prior to being reoccupied, except in certain narrow conditions that do not apply to this building. It is therefore a Special Risk that no new Certificate of Occupancy has been obtained. The DOB may at any time require that the building be vacated until such a document is filed for and properly obtained.

(4) Alteration Permit Numbers And Description Of Work Done

Prior to commencing any work, the builder is required to obtain specific Construction Permits from the NYC Department of Buildings. All such Permits have been obtained for: NYC DOB Application # 340370690 and NYC LPC Docket # 190949.

The alteration and renovation work includes installation of new windows, resurfacing of existing partitions and ceilings, new oak wood floors, new interior doors and hardware, new plumbing fixtures, new HVAC systems, new Bathroom tiling, new Kitchen cabinetry, new light fixtures and complete painting of the interiors.

(b) Structural System

- (1) The existing structure, framing and foundation walls of the building are not being altered and are undisturbed. The existing foundation walls are rubble stone, the exterior load bearing walls are brick and the floor and roof framing is wood joists at 2" x 10", placed 16" on center.
- (2) There is no existing or new underpinning work
- (3) 4" thick Fiberglass Bat Insulation is being installed in partitions and floors between apartments. The new oak flooring is being installed with a 1/4" thick sound barrier underlayment.
- (4) No subgrade drainage system exists and no new system is being installed. The rear and front yard areas are drained by areaway floor drains tied into the storm water piping system
- (5) The existing foundation walls have no waterproofing.

(1) Exterior of Buildings

(ii) Windows

The new windows and sills are pine wood and insulating glass, double hung and manufactured by Pella Windows with exterior and interior paint finish. The lintels are existing stone as part of the landmarked façade, and have not been disturbed.

The windows are supplied by Pella Windows – Architect Series and the purchase contract includes the Pella Limited Warranties clause.

The Pella Architect Series wood windows feature thermal break insulating glass; Insulated Dual Low-E glass panels with Argon fill, Performance Class CW – PG 45 Positive DP Rating

(2) Parapets and Copings

The existing clay tile coping stones at the roof parapets are replaced with 2" thick limestone coping stones firmly doveled into the existing brick parapets, all deteriorated mortar has been replaced

The roof side of the parapet walls have been waterproofed with roofing materials and are flashed into the new rolled roof surfacing membrane up to the level of the new limestone coping.

(3) Chimneys and Caps

There are no active chimneys or flues in the building

(4) Exterior Entrances

The street entry doors and frames at the building Vestibule are existing, solid wood and glass panel constructed and are being restored and repainted as per Landmarks regulations and will therefore be in very good condition. The doors are being refurbished with high quality new butt hinges and door hardware.

At the basement level, the service entry door and metal frame is existing and in good condition. At the rear yard, the private tenant area exterior doors are wood and glass with insulating glass, argon filled thermal break type.

The existing front yard railings and fencing are landmarked architectural features, decorative iron work and are in good condition.

(5) Roof and Roof Structures

The new roofing assembly is Firestone APP 160/170 applied on the existing roof membrane with appropriate upturn flashing. The Warranty is 10 Year duration by installer; SDR Construction LLC.

The installation date was October 2016.

(iii) Skylights

There is a new skylight installed above the roof bulkhead stair enclosure at the same dimensions as the existing: 4'-4" wide x 6'-8" long. It is constructed of galvanized metal framing members with wire glass panels and protective metal mesh screen below.

(vi) Rooftop facilities

The Roof level consists of open roof areas for mechanical equipment and a portion of the roof is part of the Limited Common Element. These existing private roof areas are enclosed with low fencing for six (6) apartments and maintain the min. 6'-0" wide FDNY access path required by code and therefore are code-complying.

70% of the roof area is for recreational use for six of the apartments; this total area is 2,040 square feet.

(8) Fire Escapes

The existing rear wall fire escape is to remain. The fire escape is all iron constructed and serves the 2nd, 3rd and 4th floors accessible through the rear wall double hung windows.

The fire escape platform and stair construction is of iron angles, stringers, plates and welded bar railings. The platform framing is bolted into the rear masonry wall supported by iron bar angle struts.

The existing FE floor platforms are of iron flat plate construction.

The existing standard drop ladder at the 2nd floor is also of welded iron plate and bar construction

The condition of the entire fire escape assembly is in good condition and has been painted within the last five years.

(9) Yards and courts

- (i) Paving – the existing front areaway and rear yards are poured, smooth concrete slabs
- (ii) Drainage – the front and rear yards are drained with standard metal, 4" diameter area drains tied into the building storm piping
- (iii) Railings – the front and rear yard railings are painted iron construction anchored into existing stone curbs
- (iv) Stairs – the existing front entry stairs are built of bluestone treads, the rear yard stairs are poured smooth concrete
- (v) Fencing – the existing rear yard fencing is galvanized metal tube and wire mesh construction and will be clad with stockade type wood fencing – (NYC LPC approved). The street front yard railings and gate are decorative ironwork construction, per NYC LPC, to remain undisturbed.
- (vi) Walls – at the front yard areaway, the building walls are of limestone and brick construction, at the rear yards, the existing walls are masonry, stucco covered.

(10) Interior Stairs

The existing interior, closed riser public stair is constructed of wood stringers, treads, risers and balustrades and is paint finished. The condition of the stair is excellent and has been reinforced where required.

Auxiliary Facilities

The Cellar level is appointed with a Trash Room, Bicycle and Stroller Storage Rm, with Tenant Storage bins and a common Play Room. There is also a Package Storage closet.

(1) Laundry Room

There is no common Laundry Room but each of the eight apartments are equipped with a washer / dryer. These appliances are electric.

(j) Plumbing and Drainage

(1) Water supply

The waste and storm water piping system is no-hub cast iron piping. The hot and cold water supply system piping is L Type copper, both fully wrap insulated.

The main Shut-off valve is located at the Cellar street wall side in the Mechanical Room.

(2) Fire Protection System

Sprinkler System

NYC Building Code 901.9.4 requires the installation of a sprinkler system if the cost of construction in a renovation such as this building exceeds certain limits. No calculation was done to show that a new sprinkler system was or was not required. However because of the scope of work for this building, it is extremely likely that the limit was exceeded and sprinklers are required. Because of the lack of a sprinkler system, the fire safety of the building is not up to current standards, which standards have been in effect since 1999. The Department of Buildings may at any time determine that a sprinkler system is in fact required.. The cost of installing the system could be considerable, and will be borne by the purchasers of condominium units. Installation will also result in inconvenience from construction activity and dust.

(k) Heating

Hot water is supplied to each apartment by individual hot water heaters: AO Smith Voltex Hybrid Electric Heat Pumps at 50 gallon capacity; Model HPTU-50N. The product is installed under manufacturer's Limited Warranty and its energy efficiency rating is 3.24 Energy Factor (EF) and meet the Energy Star qualification ratings.

(m) Air Conditioning and Heating

Heating System

The apartment units are heated by the Mitsubishi Electric Mr.Slim split-ductless A/C & Heat Pump system with four air handler units at a combined capacity of 31,80 BTU/H. The system has been designed and specified by a licensed Mechanical Engineer to provide an internal and ambient temperature of minimum 68 degrees at peak service.

The Bathrooms are heated by a Broan electric wall heater, The same Broan wall heaters serve the Lobby and Public Stair areas.

All heating equipment is installed under Manufacturers' Limited Warranty and are High Rated Energy Efficiency products.

Duct Insulation

The Mitsubishi Electric system is a ductless system, the air handlers are factory insulated.

Heating and Domestic Hot Water Service

For Heating description, see above (m) Heating System

The AO Smith Voltex heat pumps for hot water supply have a rating of 70 for First Hour and will serve high volume usage by the two bathrooms, kitchen faucet and clothes washer of each apartment.

Controls

The Mitsubishi Electric A/C & Heat Pump system is controlled by individual, wall mounted digital thermostats for each air handler unit. The Broan Electric wall heaters feature factory built in thermostatic manual controls.

Cooling System

The Mitsubishi Electric Mr.Slim A/C & Heat Pump System provides peak service requirements and has been designed and specified by a licensed Mechanical Engineer to provide an internal and ambient temperature of minimum 68 degrees.

All equipment of the Cooling System is installed under Manufacturers' Limited Warranty and are High Rated Energy Efficiency products.

Cooling Equipment

The Mitsubishi Electric Mr.Slim A/C system consists of roof top installed outdoor condensers and air handlers within the apartment units. The eight apartments are served by eight condenser units installed on galvanized metal wall brackets on the roof stair bulkhead exterior.

Roof top Equipment / Vibration and Noise

The Mitsubishi Electric Mr.Slim A/C system condensers are located at the roof stair bulkhead walls – eight condensers serving eight apartments: Mitsubishi MXZ-2B20NA-1. The units are mounted on galvanized metal platforms with vibration isolators as per manufacturer's specifications.

Piping Insulation

All HVAC pipings are insulated with insulating foam wrap insulation throughout the system.

Air Handling Units

The Mitsubishi air handler units (MSZ-GE06NA-8 & MSZ-GE12NA) are located throughout the apartments and they are ductless directly serving Living Rooms, Kitchens and Bedrooms through supply grills. Each zone and air handler unit is controlled by digital, wall mounted thermostats.

(n) Ventilation

Cellar Venting – all Cellar located spaces are ventilated through windows and meet code criteria and provide adequate ventilation.

Mechanical Ventilation – all interior Bathrooms are ventilated with rooftop located exhaust fan units – Greenheck SP-B90 at 50 CFM each, all Kitchens are ventilated with roof top located exhaust fan units – Greenheck SP-B90 at 75 CFM each.

Noise emission – the Greenheck exhaust fans meet NYC BC noise emission standards.

(o) Electrical System

- (1) The service from the main service switch gear is 400 AMP service installed with disconnect switch and housed in a protective metal service box. The wiring is 500 MCM copper wire
- (2) Each apartment unit and individual electric panel is serviced by a 100 AMP riser of #3 wire at 110 volts.

(p) Intercommunication / Door Signals

The intercom system shall be by Aiphone Corporation, GT-DMA digital audio – visual system connecting the call panel at the street entry door and the eight apartments. The system is installed under manufacturer's Limited Warranty. The apartment building will also be equipped with weatherproof security cameras located at the street entry and at the roof stair bulkhead with digital recording back up.

(r) Garages / Parking Areas

There are no parking facilities at this property

(t) Tennis Courts / Playgrounds / Recreation Facilities

The development contains a Play Room for use by tenant families located at the Cellar level which will be equipped with a Ruberoid flooring surface. The room is 12 ft x 18 ft in size and has direct window ventilation to the street front and will be adequately lit with ceiling mounted light fixtures.

(w) Unit Information

Wood Floors – select oak species, 3" wide by ¾" thick planks, tongue and groove installation. The new flooring is installed on new plywood subfloors. The floors are sanded, stained and three (3) coat water based polyurethane finished

Walls – Ceilings Painting – Benjamin Moore Interior primer, BM two (2) coats finished painting, satin finish

(y) Safety and Warning Devices

The building does not require a Fire Alarm System

(c) Site

(1) Size:

The lot has a rectangular shape consisting of a street front width of 39'-0" and depth of 95'-0". Refer to attached architectural lot survey for more details.

(2) Number Of Buildings And Use;

There is one building on the lot and it shall be comprised of 8 dwelling units.

(3) Streets Owned Or Maintained By The Project;

No sidewalk vaults exist and none shall be built. The condominium will not need to obtain right-of-egress from an adjacent neighbor. The sidewalk and rear yards shall be sloped as to drain water away from the foundation of the building. This project is not a Brownfield Site and has no known environmental issues.

In-ground radiant heating shall not be provided. There are no streets owned or maintained by the project. The streets are owned by NYC.

(i) Paving (Material And Condition);

The street sidewalks are concrete

(ii) Curbing (Material And Condition);

The curb is concrete

(iii) Catch Basins, Drainage (Location And Condition);

There are no catch basins inside the property

(iv) Street Lighting (Material, Type, Location And Condition);

Street lighting is provided by the City of New York and is adequate for all public safety needs.

(v) The aforementioned items are in conformity with local fire district, town, or municipal building codes.

(d) Utilities.

(1) Water;

Water is furnished by the City of New York Water Distribution System (DEP) and shall be paid by the condominium unit owners as part of the common charges. There will be 1 water meter serving the entire building.

(2) Natural Gas;

Gas service is provided by National Grid. There shall be individual meters for gas consumption serving each apartment. Gas utilized for cooking usage within the units shall be billed directly to the condominium unit owner.

(3) Electricity;

Electricity is provided by Consolidated Edison. There shall be individual meters for electric consumption serving each apartment. Electricity utilized within the units shall be billed directly to the condominium unit owner. There shall be a separate meter for the common elements. The electricity used for the common elements shall be paid by the condominium unit owners as part of the common charges.

(4) Telephone;

Telephone service is provided on an individual basis to each unit by local providers. Each condominium unit owner will be billed directly by provider.

(e) Sub-soil conditions.

(1) No uneven foundation movement or settling has occurred at the premises

(2) There is no evidence of moisture or seepage or ground water infiltration

(3) There is no danger from flooding either due to the water table in the area or due to the overflow of other bodies of water

(f) Landscaping and Enclosures.

(1) Grass Cover; - None is being provided

(2) Plantings;

No in ground planting is being provided

(3) Trees;

There is one existing tree in front of the premises located in the city sidewalk, it shall be preserved and maintained

(4) Fencing;

There will be a perimeter fence at the side and rear yards not to exceed 6' in height per NYC Zoning Resolution. There will also be a wooden fence and gate separating the two garden areas of the existing yards.

(5) Gates;

There shall be a gate connected to the boundary fence in the rear yard.

(6) Garden Walls;

Not applicable other than as above

(7) Retaining Walls;

There are no retaining walls at the premises.

(8) Display Pools And Fountains;

There are no display pools and fountains at the premises.

(g) Building Size.

The building has an approximate height of 50'-8" measured from the sidewalk level to the roof.

There are no crawl spaces since the cellar is the lowest level, concrete slab on grade

There is one cellar in the building.

The building is comprised of 5 stories – (Cellar+ 1st, 2nd, 3rd and 4th Stories)

There shall be a utility meter rooms at the Cellar.

Roof parapet as per NYC building code sections 27-334, railing height of which shall be no less than 3'-6" above finished roof surface.

(h) Structural System.

(1) Exterior Of Buildings;

(i) Walls;

The existing front, side and rear exterior walls are constructed of masonry at 12" thickness.

The insulating material for the exterior walls is designed to provide an R Value of 13.34.

The exterior wall composition will have a maximum thermal performance value (U.) of 0.2 to comply with table 4-1 of the N.Y.S. Energy Conservation Construction Code.

Local Law 10/11 of 1980 does not apply since this building is less than 60 feet in height.

The floor structures are of existing wood joists at an average size of 3" x 10" at 18" on center

(ii) Windows;

There shall be double glazed wood windows at the front, side and rear walls of the house at all floors. Screens will be provided for all operable windows.

Light and air is provided in each unit in compliance with all applicable codes. A minimum of 10% of a habitable room area is for light.

A minimum of 5% of a habitable room is for air. There are no lot line windows.

(iii) Landmark Status;

The property is within the NYC Landmarks Preservation Commission Historic District Park Slope, Brooklyn. Applications for the alteration work have been filed and were granted a Permit / NYC LPC Docket # 183102

(2) Parapets And Copings;

All existing parapet walls are constructed of masonry. New coping stone at top shall be installed.

(3) Chimneys And Caps;

There shall be no chimneys. There shall be no fireplaces.

(4) Balconies And Terraces;

There are no balconies or terraces on the project

(i) Deck Finish;

N / A

(ii) Balustrade;

N / A

(iii) Railings;

The perimeter roof railings shall be iron with minimum height of 3' 6".

(iv) Copings;

None.

(v) Soffits;

None.

(vi) Doors To Balconies And Terraces;

N / A

(5) Exterior Entrances.

(i) Exterior Doors And Frames;

There is one main exterior entrance. The main entry door shall be wood constructed with tempered glass

(ii) Vestibule Doors And Frames;

Vestibule door shall be wood constructed with tempered glass

(iii) Exterior Stairs;

N / A

(iv) Railings;

Existing Stair railing shall be wood constructed newel posts, spindles and handrails

(v) Mail Boxes;

Mailboxes shall be U.S. Postal Service approved type

(vi) Lighting;

Exterior lighting shall be provided at the entranceways in compliance with NYC Housing Maintenance Code and Multiple Dwelling Laws.

(6) Service Entrances.

Existing service entrance is at the Cellar level accessible from NYC sidewalk, door shall be 1 ½ hour rated metal door and frame

(7) Roof And Roof Structures;

(i) Type of roofs for all areas;

The roof of the building is a flat, pitched to drain type roof

(ii) Material;

The roof material shall be modified bitumen roofing membrane.

(iii) Insulation;

The roof insulation shall be fiberglass and is designed to provide an R19 Value.

(iv) Surface finish;

The roof surface finish shall be modified bitumen rolled roofing

(v) Bond or guarantee;

There shall be a NDL 1-year manufacturer's warranty for materials and labor. The warranty period shall begin on the date of installation.

(vi) Flashing materials including counter flashing;

The roof flashing and counter flashing shall be rubber membranes

(vii) Drains;

Location, material and type;

Roof drain: located at side yard, scupper & leader through roof parapet wall

Gutters and leaders;

There shall be an aluminum gutter and leader which drains to the house sewer and to the public storm drainage at street

(viii) Skylights;

There shall be a skylight as required for the stairwell with minimum of 20SF window surface area.

(ix) Bulkheads;

Stairs;

The existing Stair Bulkhead is constructed of heavy gage metal framing and exterior stucco finish

Elevator;

N / A

(x) Metal Work At Roof Levels;

Iron railings are installed at the exterior edge of parapet walls

(xi) Rooftop Facilities;

Private, fenced terraces for six apartments are provided

(8) Fire escapes.

The existing rear yard fire escape shall be retained as per approved Plans

(9) Yard and courts.

There shall be a rear yard. The rear yard will have two garden – patio areas with private access from the two First Floor dwelling units

(10) Interior stairs.

(i) Number Of Stairs Of Each Type;

There shall be one common staircase

(ii) Enclosure (Construction And Interior Finishes);

The stair enclosure shall be two-hour fire-rated with gypsum plaster walls and wood flooring

(iii) Stair Construction (Steel, Concrete, Wood);

The existing public stair is constructed of wood

(iv) Stringers (Material);

The existing stringers are wood constructed

(v) Treads (Material);

The treads shall be 1" thick oak wood

(vi) Risers (Material);

The existing risers are wood constructed

(vii) Guard Rails (Material);

The guard rails are wood constructed

(viii) Balustrade (Material);

The existing public stair balustrade is of wood construction

(11) Interior Doors And Frames;

(i) Unit Entrance And Interior Doors And Frames;

Self-closing hinged wood doors are provided with locking hardware and peep-hole at each apartment entry, door thickness: 1 ¾". Interior doors and frames within the apartments are wood, with passage and privacy locks as appropriate. The manufacturer of all door hardware is Assa Abloy – Emtek, polished nickel finish.

(ii) Corridor Doors And Frames;

See descriptions and information on for Public Stair provided in other sections of the Architect's Description

(iii) Stair Hall Doors And Frames;

Stair hall doors and frames are wood constructed, see Unit Entrance description above; there are no other doors in Stair Hall other than the Unit entrances.

(iv) Cellar and roof doors and frames:

Cellar and roof doors shall be 1.5 hour fireproof, self-closing, hollow metal

(12) Elevators.

N / A

(i) Auxiliary Facilities.

(1) Laundry Rooms;

(i) Location And Number Of Rooms;

There shall be one laundry closet within each unit

(ii) Clothes Washers;

The Sponsor shall provide a washing machine equal to or better in quality than General Electric

(iii) Clothes Dryers;

The Sponsor shall provide a dryer equal to or better in quality than General Electric

(iv) Room Ventilation;

The laundry closets are vented to the outside

(v) Dryer Ventilation;

The dryers are vent-less type

(2) Refuse Disposal;

(i) Incinerator(s);

There shall be no incinerators

(ii) Compactor(s);

There shall be no compactors

(iii) Approvals By Authority Having Jurisdiction;

Not applicable.

(iv) Initial Storage Location;

Not applicable.

(v) Pick-Up Schedule, And Whether Public Or Private Provider;

Refuse will be the responsibility of the condominium unit owners. Refuse will be brought by the occupants to the Waste Room located at Cellar. Refuse is collected 2 times per week by the City of New York Sanitation Department; a public provider

(j) Plumbing and drainage.

(1) Water Supply.

Water is supplied to the units through connections from the street main by the City of New York DEP Water Distribution System. There is a minimum of a 1 1/4" water main conveying the water into the building. The hot and cold water pipes shall be insulated as in compliance with the NYS Energy Conservation Construction Code. There shall be eight (8) electric hot water heaters in the Cellar serving the eight dwelling units.

(2) Fire Protection System.

N / A

(i) Standpipes;

None.

(ii) Hose Racks, Hoses And Nozzles;

None.

(iii) Sprinkler Heads;

None.

(iv) Siamese Connection;
None.

(3) Water Storage Tank(s) And Enclosures;
None.

(4) Water Pressure And How Maintained;
This building relies on normal NYC water pressure for raising the water to all floors so that no pumps are required

(5) Sanitary Sewage System;
Sanitary sewage system is a gravity system, connected to a street sewer main

(i) Sewage Piping;
Sewer piping is a standard no hub cast iron pipe

(ii) Sewage Pumps;
There shall be no sewage pumps

(iii) Sewage Disposal;
The sewage system carries both waste and sanitary sewage from each apartment and common areas

(iv) Permit(s) Required;
All required Permits shall be obtained through the course of work

(6) Storm Drainage System;
The storm water run-off at roof is collected into the roof scupper and leader and shall drain into the storm drain which is connected to the existing combined sewer located in the public street. The rear yard is drained with yard drains which are connected to the combined sewer.

(i) Catch Basins;
None.

(ii) Yard And Roof Drains;
There shall be yard drains, roof storm water is lead down by a scupper and leader connected to the combined house sewer line

(iii) Piping;
All piping and fittings shall be cast iron or pvc.

(iv) Eject Or Sump Pumps;
There will be no eject or sump pumps.

(k) Hot Water.
There shall be eight (8) hot water heaters located in the Cellar. Each unit will have its own hot water heater. The manufacturer will be General Electric, units GE H50DFEJSR Geospring Hybrid Electric. They shall be adequate to provide hot water for the projected usage within each apartment unit.

(l) Gas Supply.
(1) Type;
The gas supplied is natural gas.

(2) Meters;

There are separate meters for each unit.

(3) Piping;

The gas system utilizes black iron piping.

(m) Air Conditioning And Heating.

The heating and cooling systems' adequacy is to exceed at least the minimum as required by ASHRAE / ACCA 183. Cooling and heating shall be accomplished through a Mitsubishi hvac system that is forced air, space - conditioning system. Cooled air and heating shall be supplied to each unit area via an installation of condensers, air handlers and wall and ceiling registers.

(n) Ventilation.

The interior bathrooms and kitchens shall be properly ventilated by exhaust fans through vent ducts. Exhaust equipment shall be NYC MEA or BSA approved, and will be adequate per Code.

(o) Electrical System.

Tamper-Resistant power receptacles, water-resistant receptacles and light switches shall be provided including three-way switches, as necessary. No backup generators shall be provided.

(1) Service From Main Service Switchgear;

Electrical Service to the building is provided by Con Edison Company and is 3 phase 208 Volts.

(2) Service To Individual Units;

Each unit is supplied with a single phase, 208 Volts, 100amps subpanel located in the unit

(3) Compartment Switchgear;

The compartment switchgear is located within the unit.

(4) Unit Service;

The electrical service is adequate for a full complement of modern appliances.

(5) Adequacy;

(i) Service;

There are an average of 14 to 18 circuits per apartment unit

(ii) Lighting And Fixtures;

Each lighting fixture is provided with 1 or more lamps of a total of not less than 60 watts. Fixtures are capable of providing at least 10 watts per 25 square feet of floor area. The above requirements are in compliance with the NYC Housing Maintenance Code and Multiple Dwelling Laws.

(iii) Convenience Outlets, Appliance Outlets;

There are electrical receptacles throughout the condominium units, pursuant to the NYC Electrical Code.

(p) Intercommunication And/Or Door Signal Systems, Security Closed Circuit TV.

Each apartment is equipped with an intercom system connected to the intercom directory at the building entry. The system enables communication between the apartment and intercom directory.

(q) Public Area Lighting.

Outside fixtures are waterproof type. Lighting fixtures provided at the main entrance way provide illumination of 150 watts illumination. Each lighting fixture is provided with 1 or more lamps of a total of not less than 60 watts. Fixtures shall be capable of providing at least 10 watts per 25 square feet of floor area. The above requirements are in compliance with the NYC Housing Maintenance Code and Multiple Dwelling Laws.

(u) Permits And Certificates.

Builder shall retain the service of an architect or engineer for controlled inspections.

(v) Violations.

All outstanding violations, if any, shall be removed prior to the first closing.

(w) Unit Information.

Unit No.	Usage	Unit Location	Square Feet*	Storage	Number of Bedrooms	Baths	Patios / Yards SF	
1L	Residential	Cellar 1 st Floor	1,810SF	n/a	3	2.5	Patio at Rear Yard	432 SF
1R	Residential	Cellar 1 st Floor	1,784 SF	n/a	3	2.5	Patio at Rear Yard	460 SF
2L	Residential	2 nd Floor	1,188 SF	20 SF	3	2	Private Roof Terrace	192 SF
2R	Residential	3 rd Floor	1,288 SF	20 SF	3	2	Private Roof Terrace	192 SF
3L	Residential	3 rd Floor	1,188 SF	20 SF	3	2	Private Roof Terrace	192 SF
3R	Residential	4 th Floor	1,288 SF	20 SF	3	2	Private Roof Terrace	192 SF
4L	Residential	4 th Floor	1,188 SF	20 SF	3	2	Private Roof Terrace	192 SF
4R	Residential	4 th Floor	1,288 SF	20 SF	3	2	Private Roof Terrace	192 SF

The number of rooms in each unit is computed in accordance with the standards established by the Real Estate Board of the State of New York.

*The Square feet per unit includes exterior wall as a well as 25% of the floor public halls

The apartments shall be finished in the manner described below:

(1) Living/Dining Rooms;

Floors: Hardwood
Walls, ceilings: Painted gypsum board

(2) Bedrooms;

Floors: Hardwood
Walls, ceilings: Painted gypsum board
Closets: Closets are finished with a minimum of 1 shelf and ro

(3) Kitchens;

Floors: Hardwood.
Walls, ceilings: Painted gypsum board.
Cabinets: Standard 36" high cabinets
Counters & backsplash: natural Stone
Sink: Stainless Steel
Stove: General Electric or equal.

Refrigerator: General Electric or equal.

Microwave: General Electric or equal.

(4) Full Bathrooms;

Tub: American Standard or Equal.

Sink: American Standard or Equal.

Toilet: American Standard or Equal.

Floors: Marble Tiled.

Walls: Fully tiled at the bathtub and shower area locations, other walls half tiled

(5) Laundry;

Washer and dryer units will be provided in each unit. All such appliances will be General Electric or equal quality.

(x) Finish Schedule Of Spaces Other Than Units.

The entrance vestibule and stair halls shall be finished as follows: the floors shall be marble tile at 1st Floor Vestibule and Stair Hall, at the upper floor Stair Halls, hardwood oak floors are installed., Walls and ceilings shall be painted finished throughout. Cellar common areas and Mechanical Rooms shall be ceramic tiled floors with painted wall and ceiling finishes.

(y) Safety And Warning Devices.

Smoke and Carbon Monoxide detectors provided for each dwelling unit shall be hard wired as per local Law 62/81 and R.S. 17 of the NYC Building Code. All detectors are to be approved by the Board of Standards and Appeals.

(z) Additional Information Required.

See attached submittals

(aa) In the event that certain conditions in the building(s) cannot be adequately evaluated by a visual examination, the Department of Law may, in its discretion, direct that an independent engineer or testing laboratory be retained to perform such tests or monitoring as may be necessary in order to make adequate disclosure. Conditions which may require additional testing or monitoring include, but are not limited to: settlement, masonry cracks, rusting of structural steel, adequacy of concrete cover, fire stopping, etc. Test results must be reported in the offering plan or in an amendment thereto.

(ab) Further Development.

The sponsor shall not construct any additional units or phases after completion of the Alteration, the alteration is to proceed as per NYC DOB approved plans, applications and Permits.

(ac) Asbestos.

This statement is to disclose that there will be no asbestos made products, partially or in whole, specified under this building construction of this condominium, as per approved plans.

(ad) Lead-Based Paint.

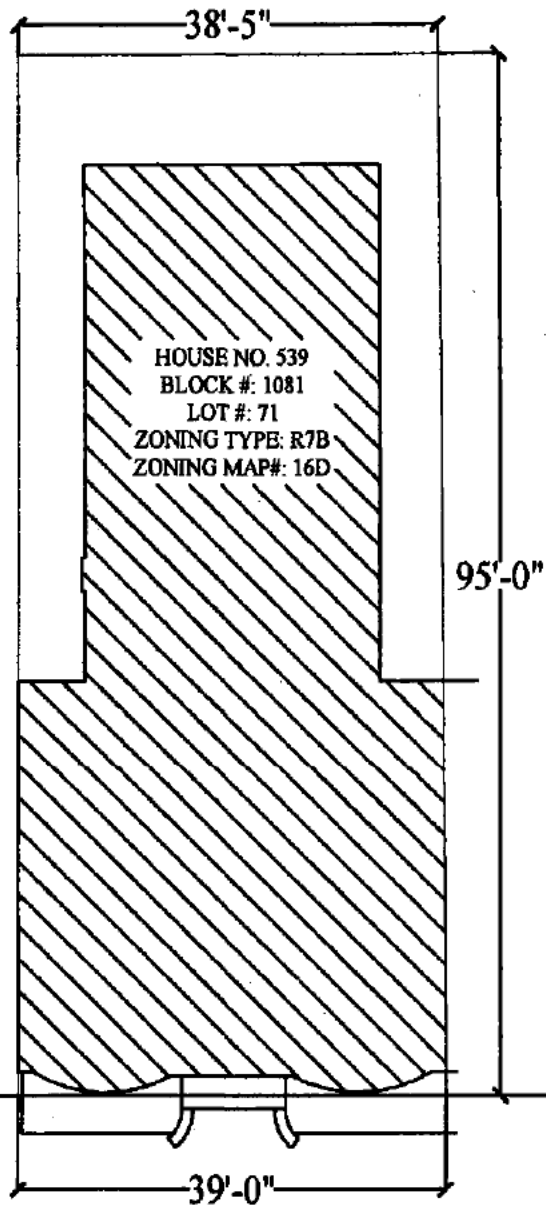
This statement is to disclose that there will be no lead paint in this building construction of this condominium, as per approved plans.

13 CRR-NY 20.7

Current through October 19th, 2017

Wu Chen, P. E.

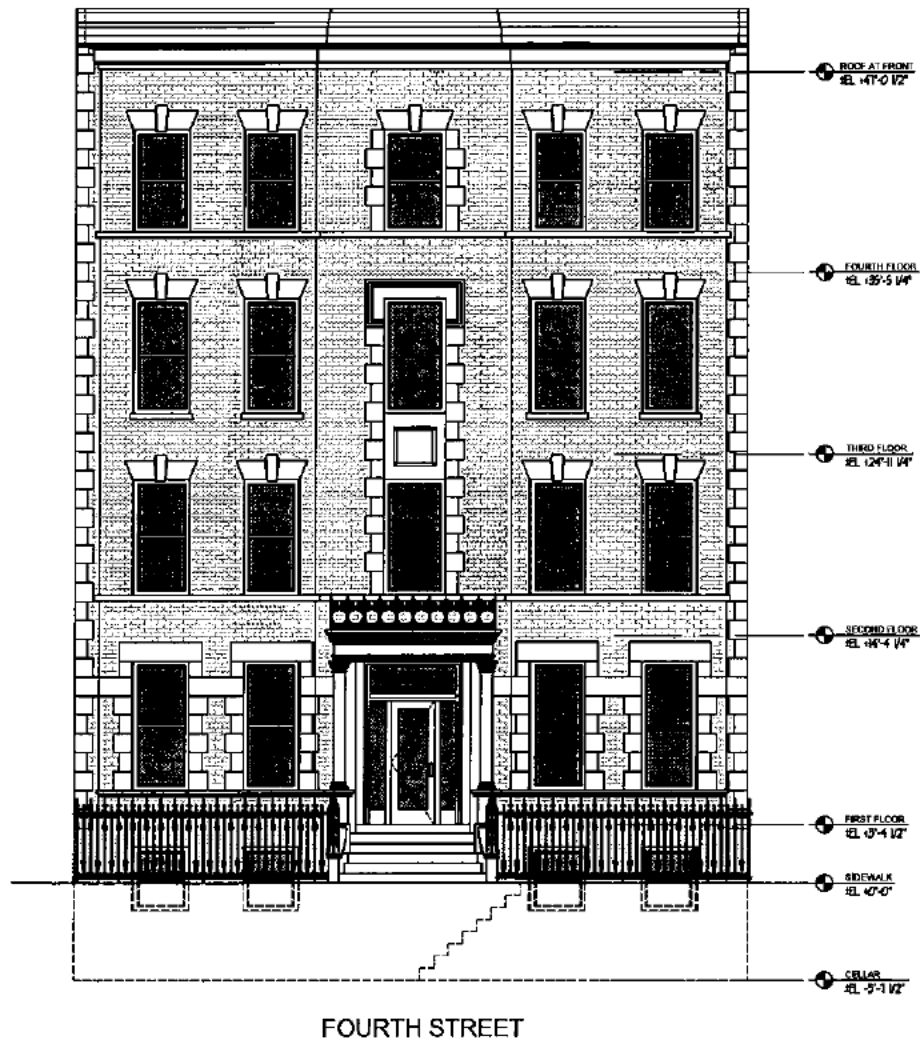
8 AVENUE



4 STREET

SITE PLAN

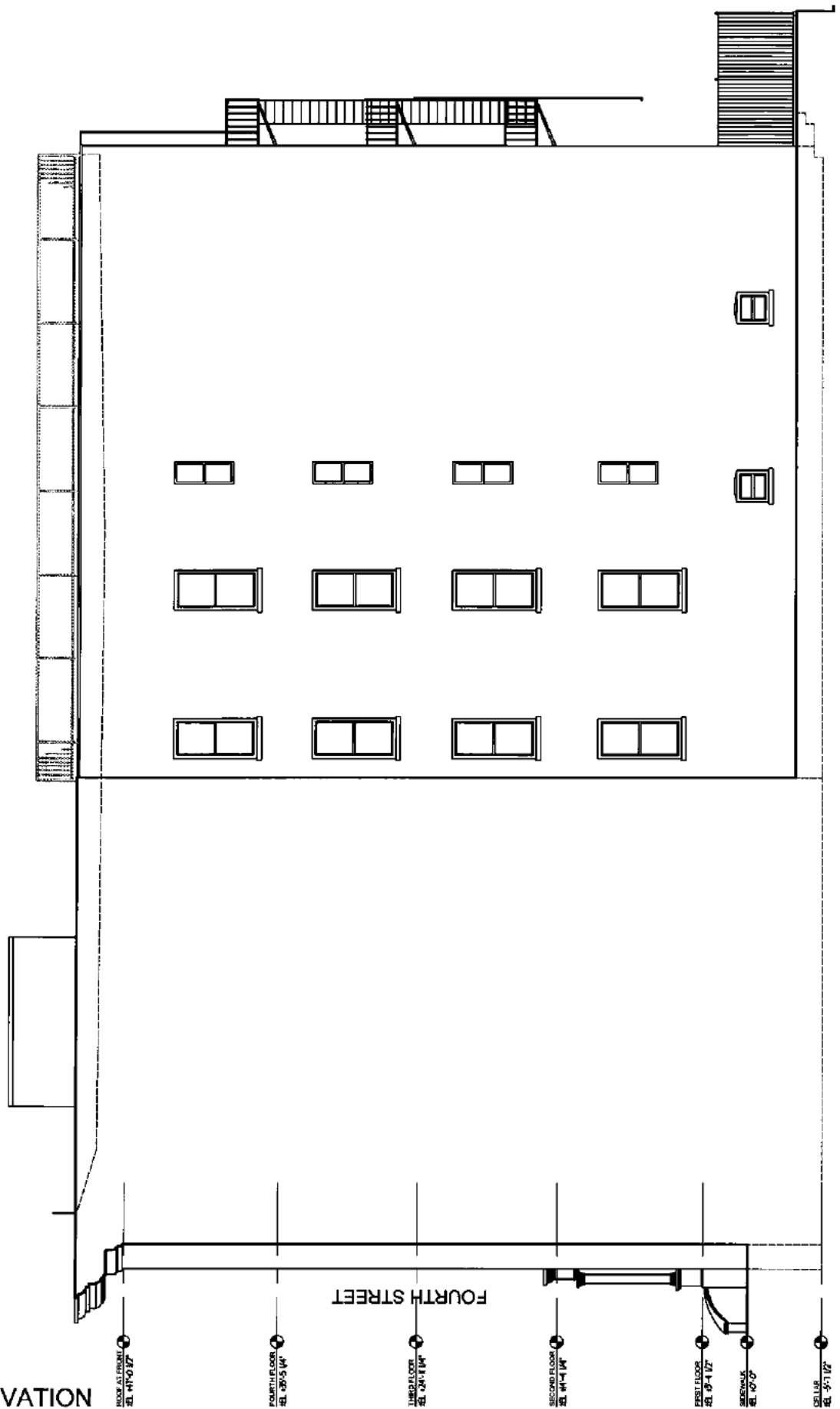
EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN NY 11215



STREET ELEVATION

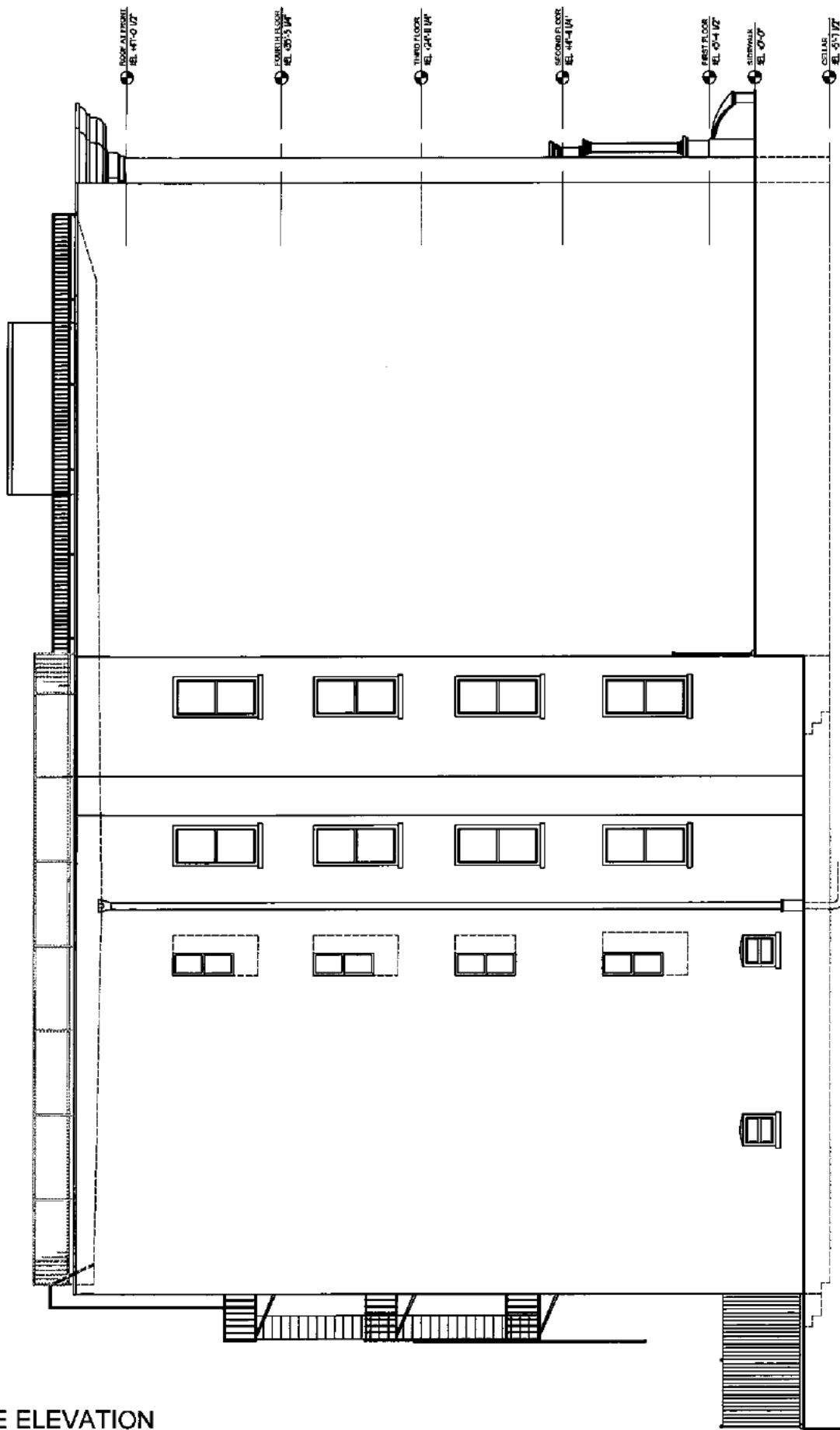
EXISTING BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215

EAST SIDE ELEVATION



EAST ELEVATION

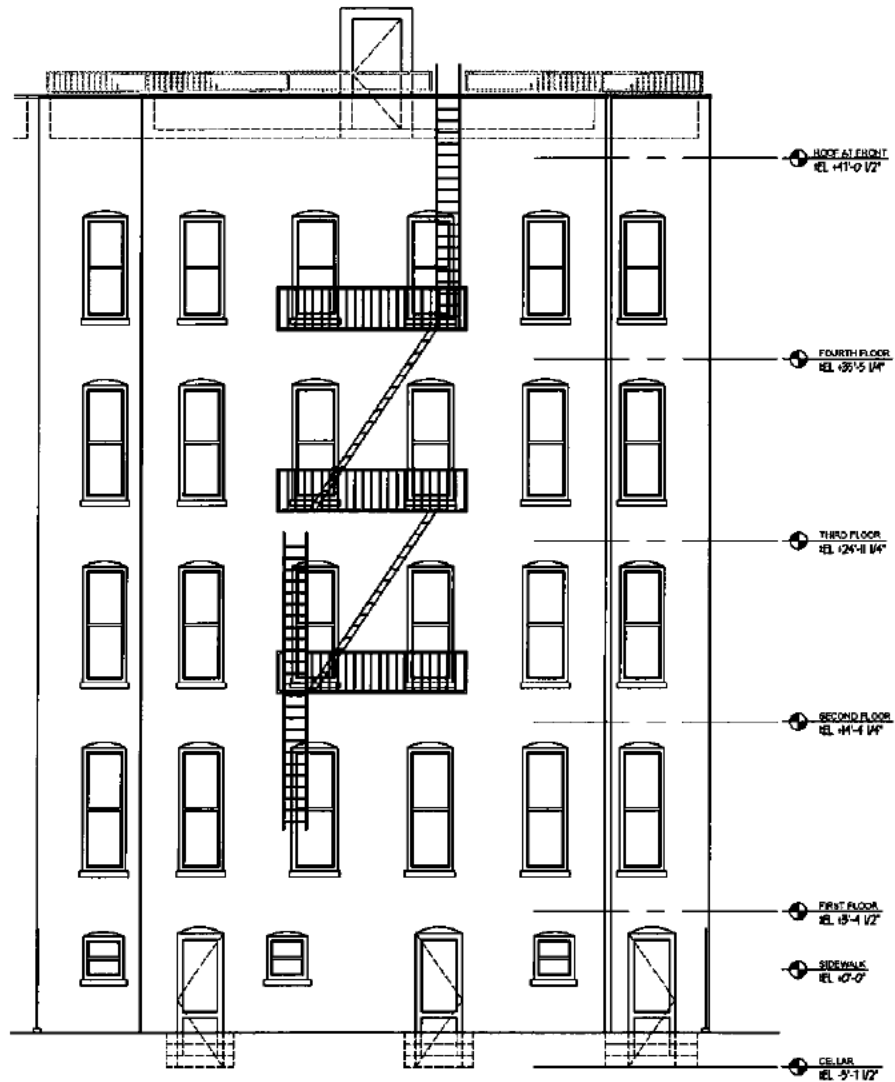
EXISTING BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



WEST ELEVATION

WEST SIDE ELEVATION

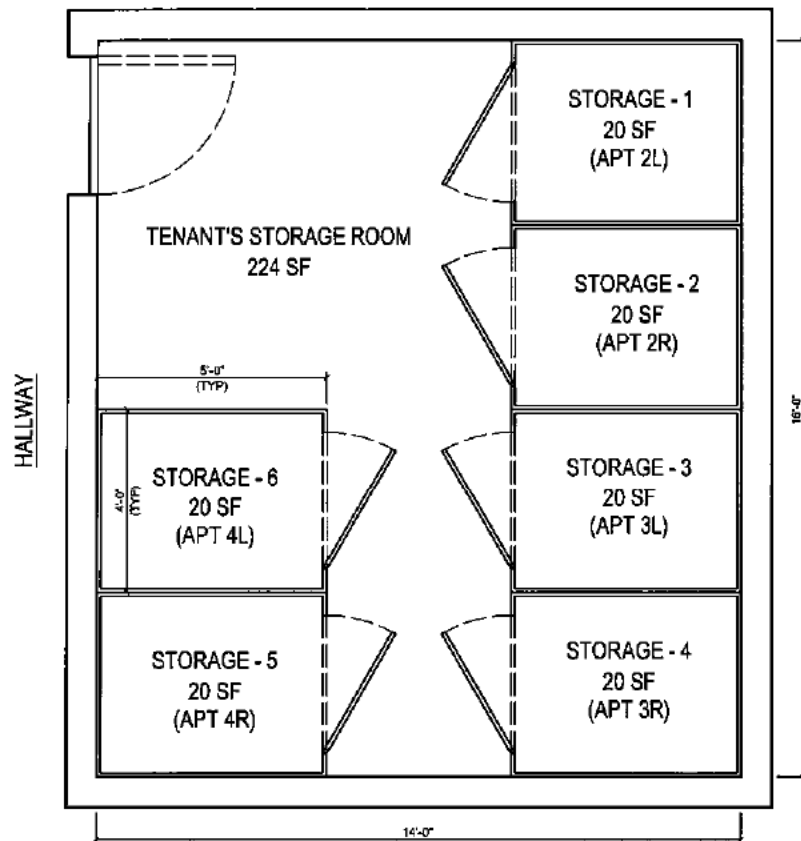
EXISTING BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



NORTH / REAR ELEVATION

EXISTING BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215

NOTE:
 WIRE CRAFTERS - TENANT STORAGE LOCKERS,
 SINGLE-TIER, WALK-IN STYLE
 SIX STORAGE UNITS - 7'-8" TALL, 4' WIDE, 5' DEEP

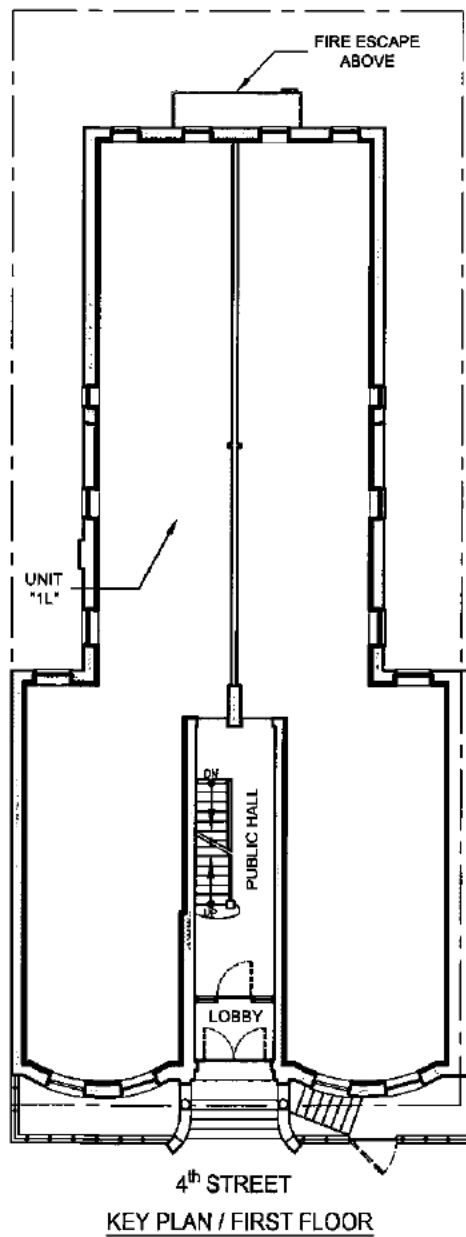


TENANT'S STORAGE ROOM
 STORAGE SPACE: 6 x 20 = 120 SF
 TOTAL AREA: 224 SF

CELLAR FLOOR

TENANT'S STORAGE ROOM

EXISTING RESIDENTIAL BUILDING ALTERATION
 539 FOURTH STREET
 BROOKLYN, NY 11215



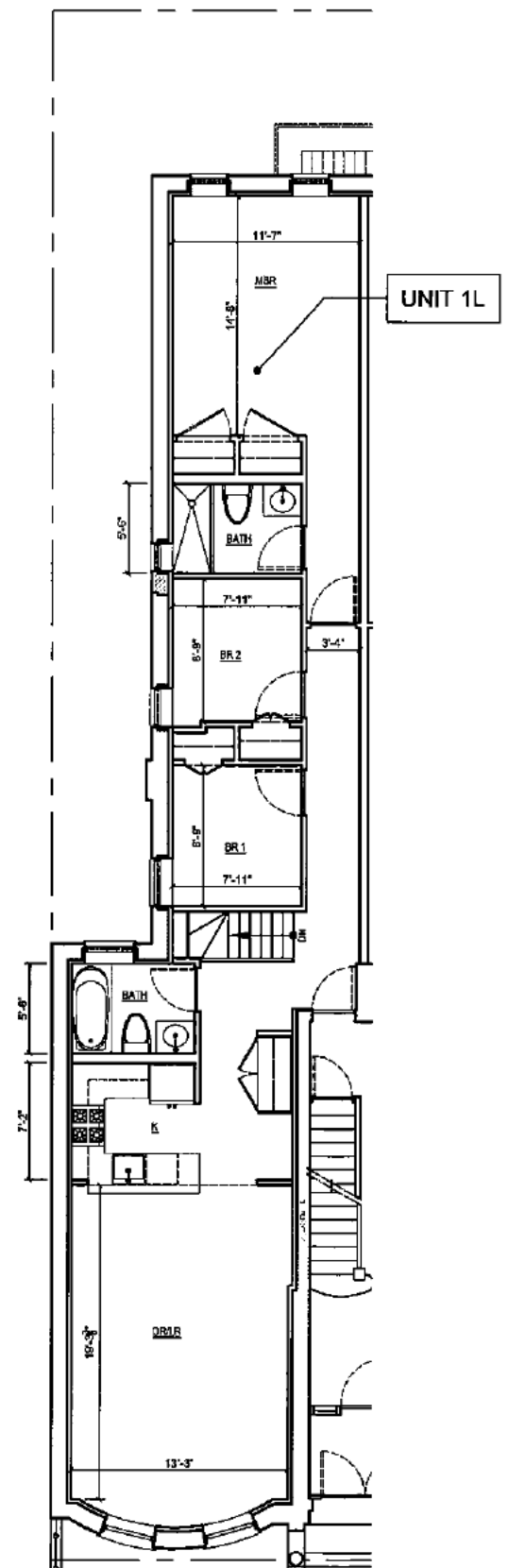
UNIT 1L FLOOR AREA: 1,154 SF

TOTAL WITH ACCESSORY SPACE: 2,192 SF

FIRST FLOOR AREA: 1,154 SF

CELLAR ACCESSORY SPACE AREA: 606 SF

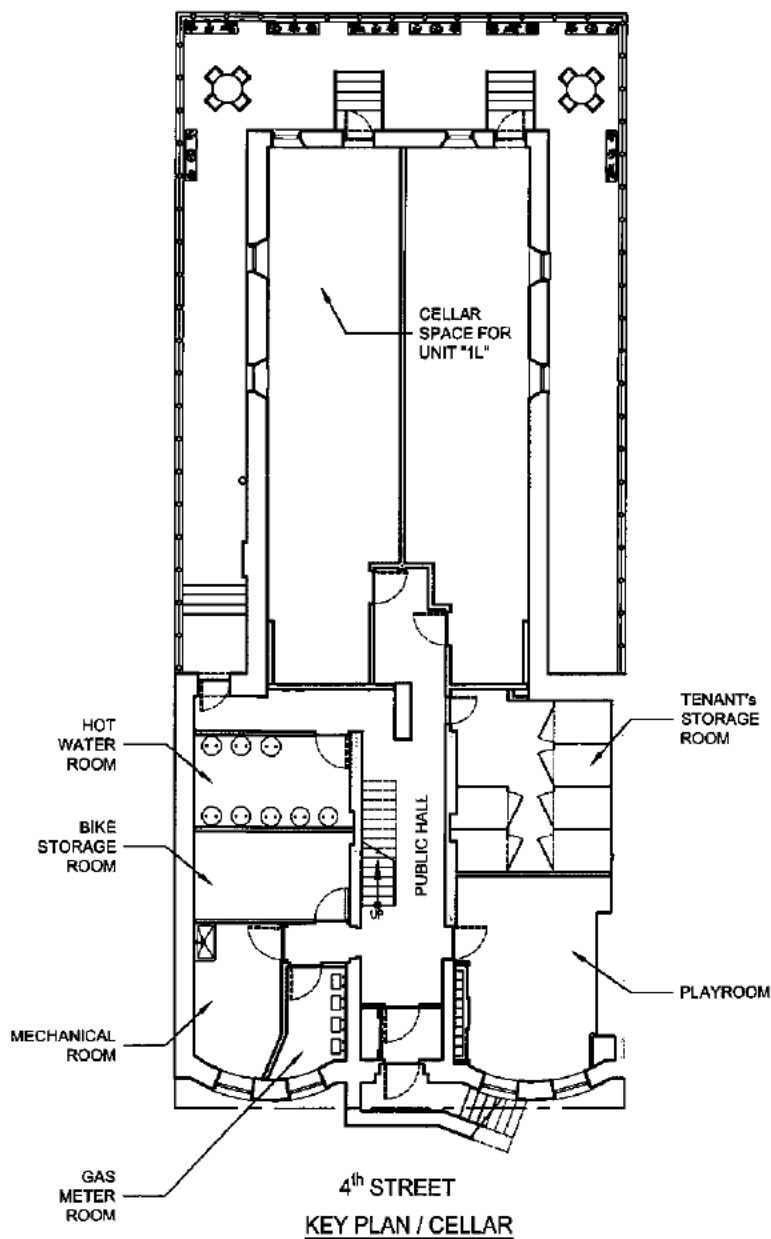
GARDEN AREA: 432 SF



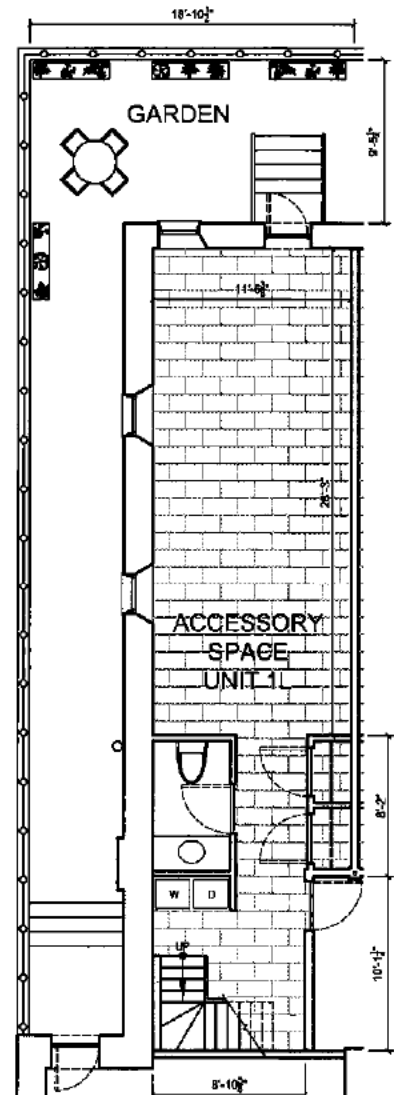
FIRST FLOOR

UNIT 1L

EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



KEY PLAN / CELLAR

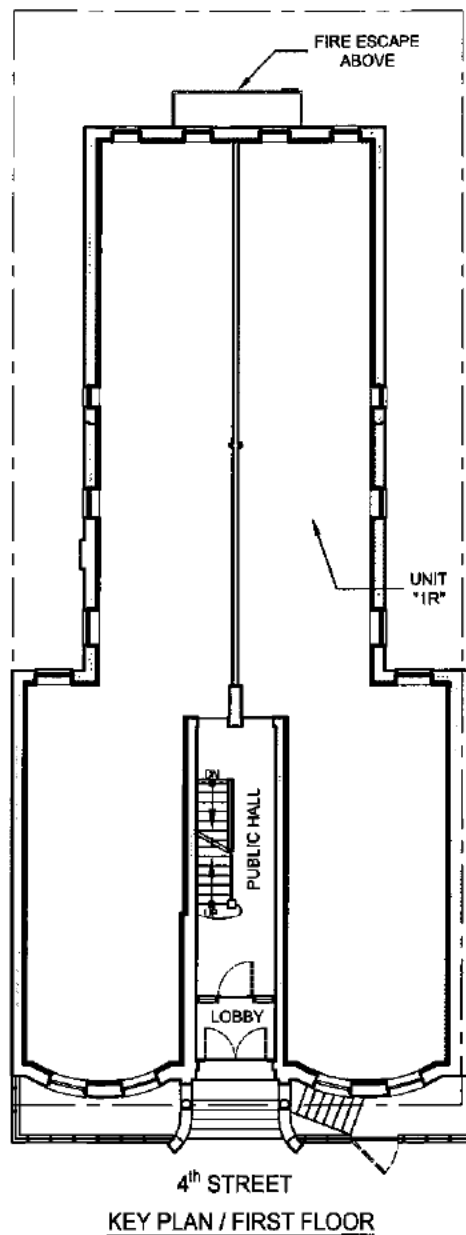


CELLAR ACCESSORY SPACE FOR UNIT 1L
 ACCESSORY SPACE: 606 SF
 GARDEN: 432 SF
 TOTAL AREA: 1,038 SF

CELLAR FLOOR

CELLAR ACCESSORY SPACE FOR UNIT 1L

EXISTING RESIDENTIAL BUILDING ALTERATION
 539 FOURTH STREET
 BROOKLYN, NY 11215



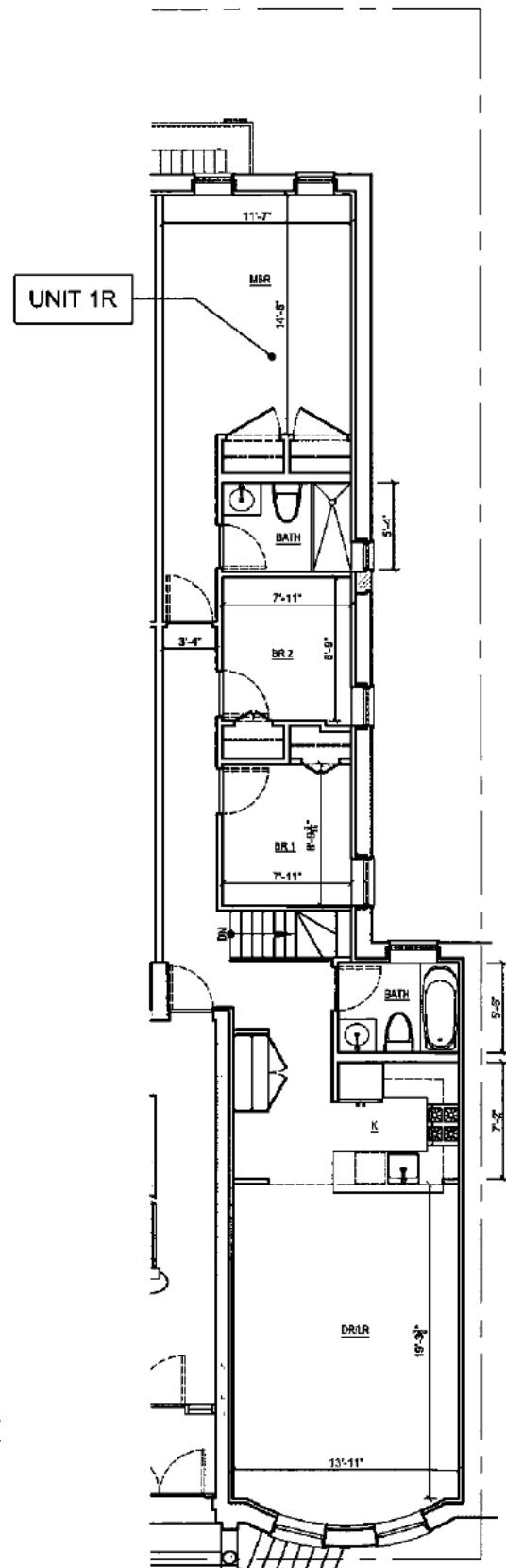
UNIT 1R FLOOR AREA: 1,176 SF

TOTAL WITH ACCESSORY SPACE: 2,194 SF

FIRST FLOOR AREA: 1,176 SF

CELLAR ACCESSORY SPACE AREA: 558 SF

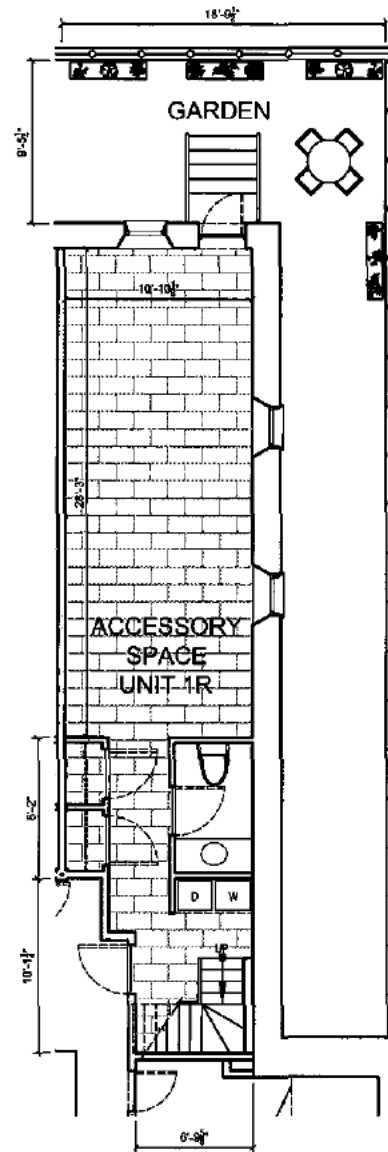
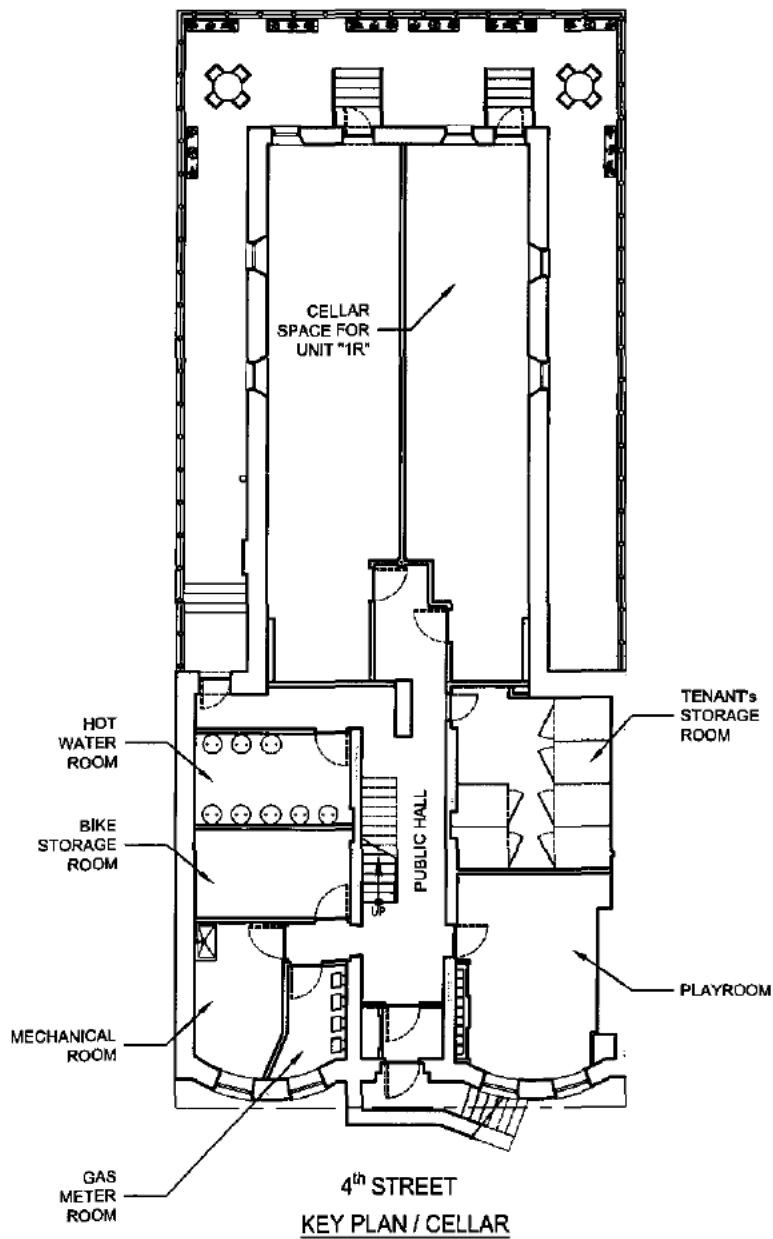
GARDEN AREA: 460 SF



FIRST FLOOR

UNIT 1R

EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215

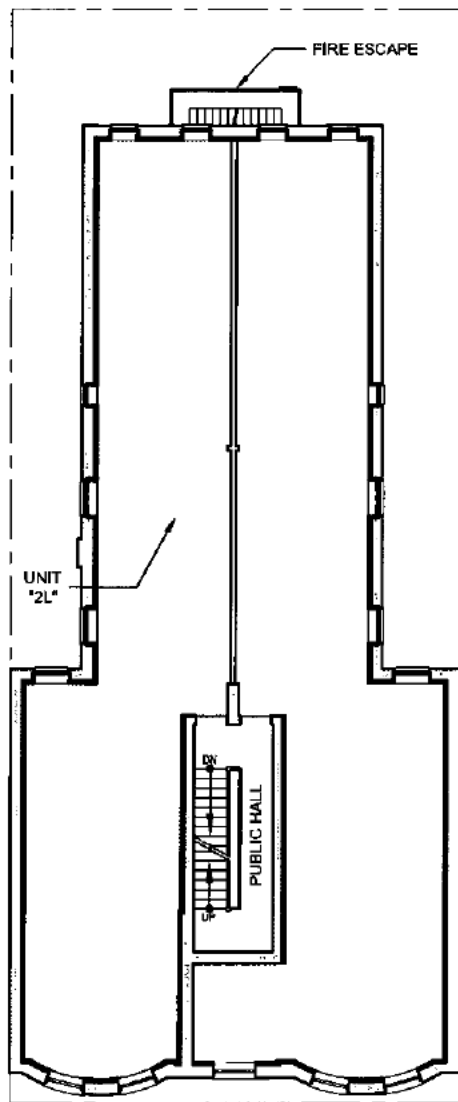


CELLAR ACCESSORY SPACE FOR UNIT 1R
 ACCESSORY SPACE: 558 SF
 GARDEN: 460 SF
 TOTAL AREA: 1,018 SF

CELLAR FLOOR

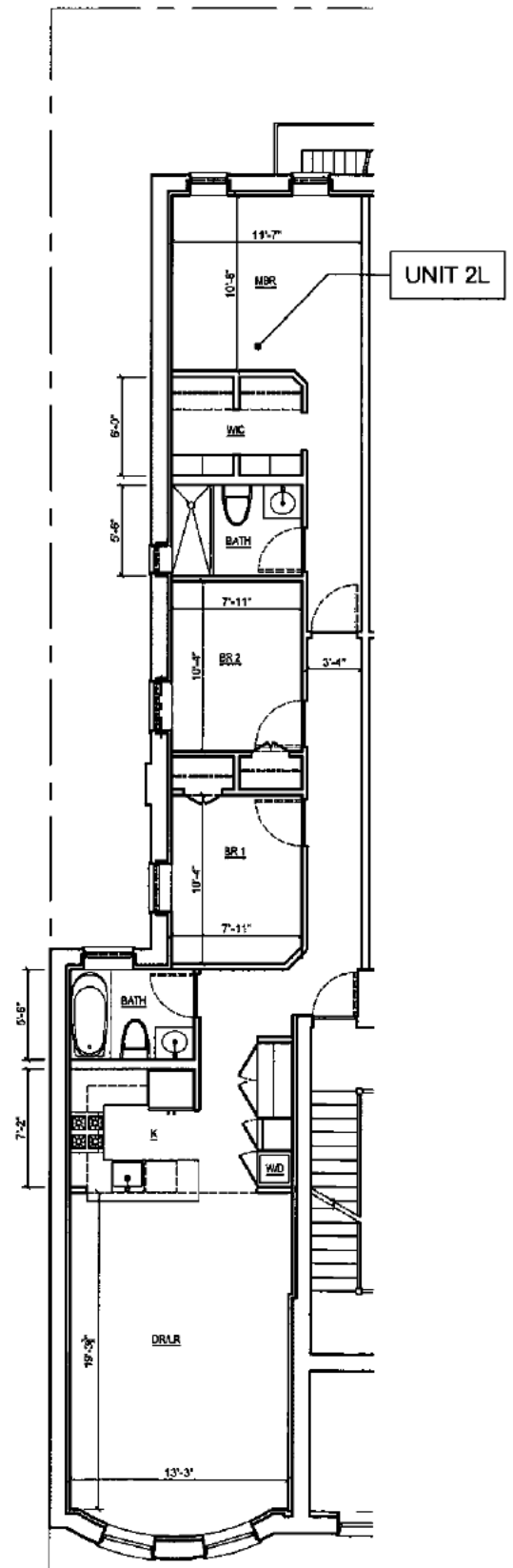
CELLAR ACCESSORY SPACE FOR UNIT 1R

EXISTING RESIDENTIAL BUILDING ALTERATION
 539 FOURTH STREET
 BROOKLYN, NY 11215



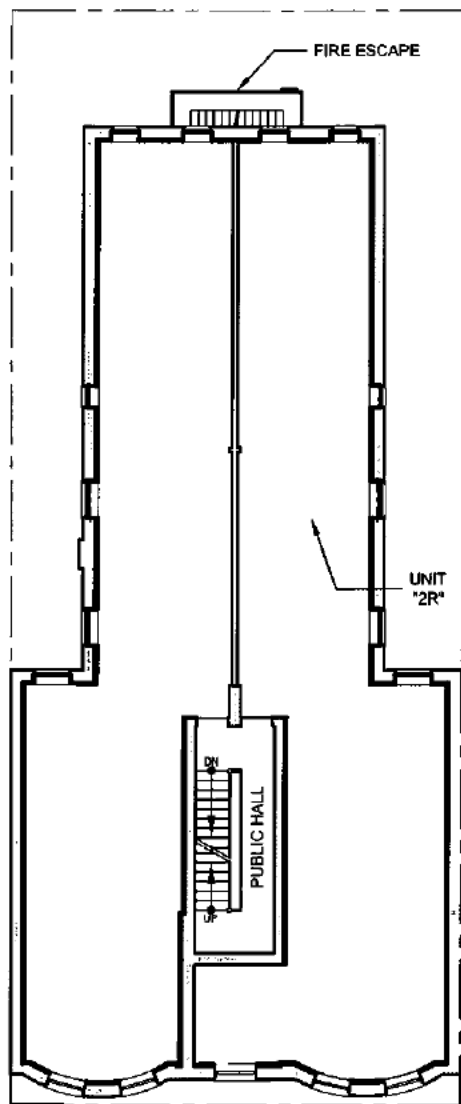
4th STREET
KEY PLAN / SECOND FLOOR

UNIT 2L FLOOR AREA: 1,154 SF

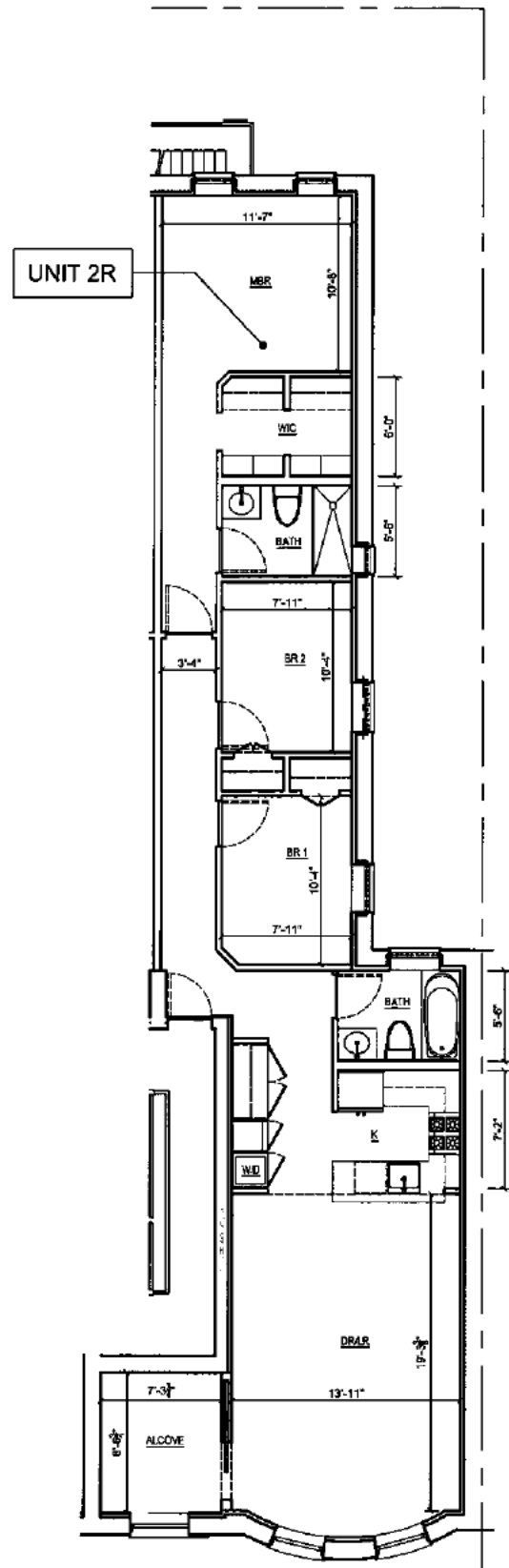


SECOND FLOOR

UNIT 2L



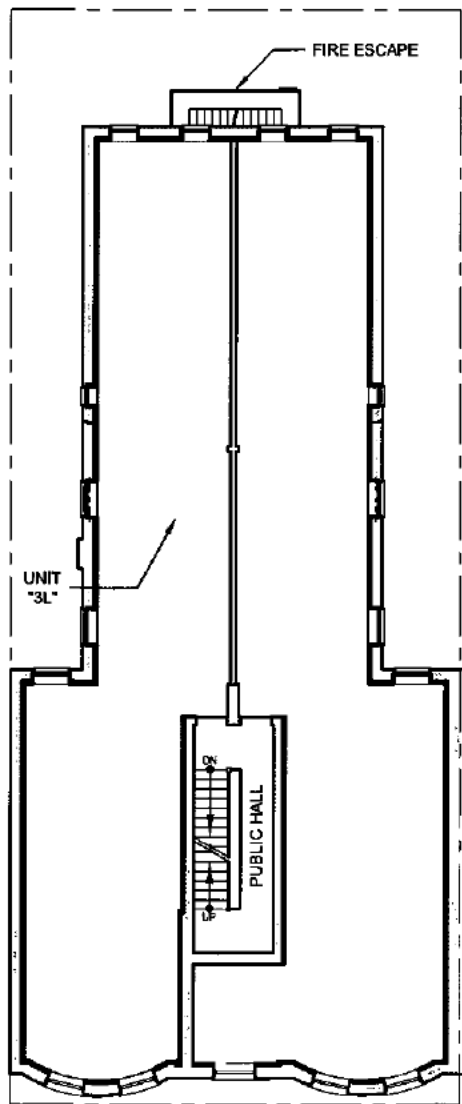
UNIT 2R FLOOR AREA: 1,254 SF



SECOND FLOOR

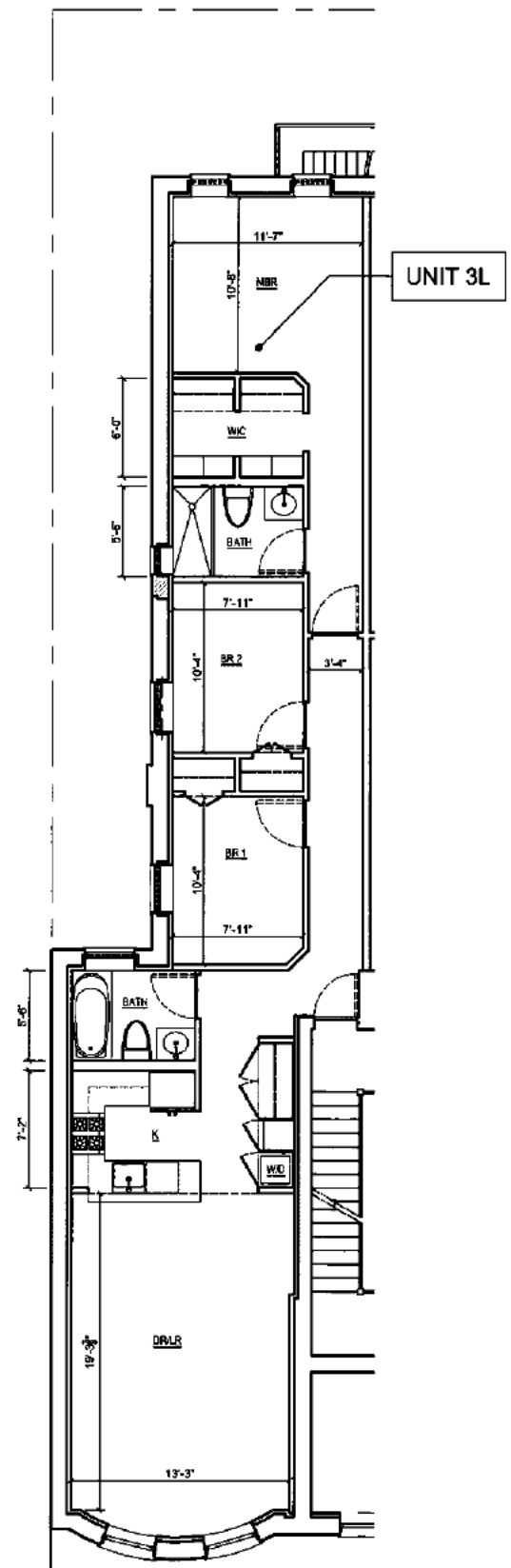
UNIT 2R

EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



KEY PLAN / THIRD FLOOR

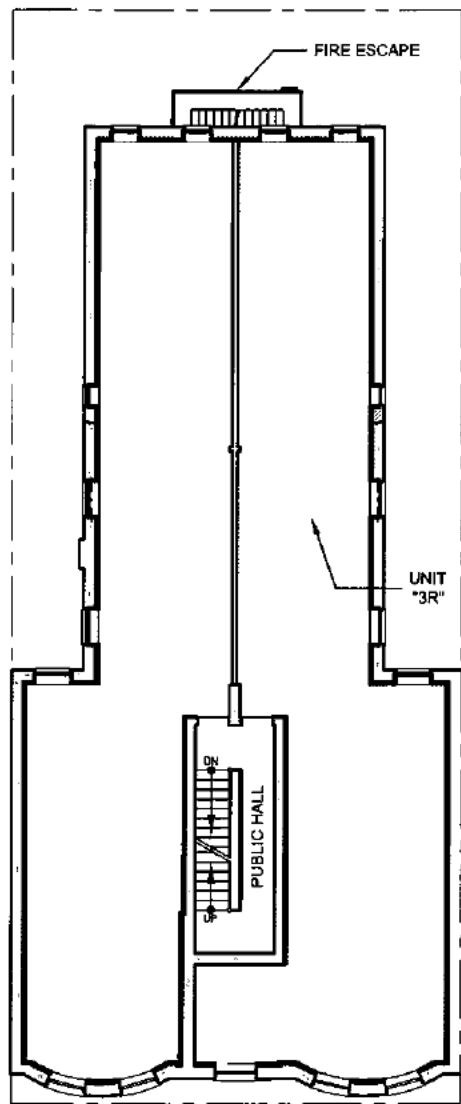
UNIT 3L FLOOR AREA: 1,154 SF



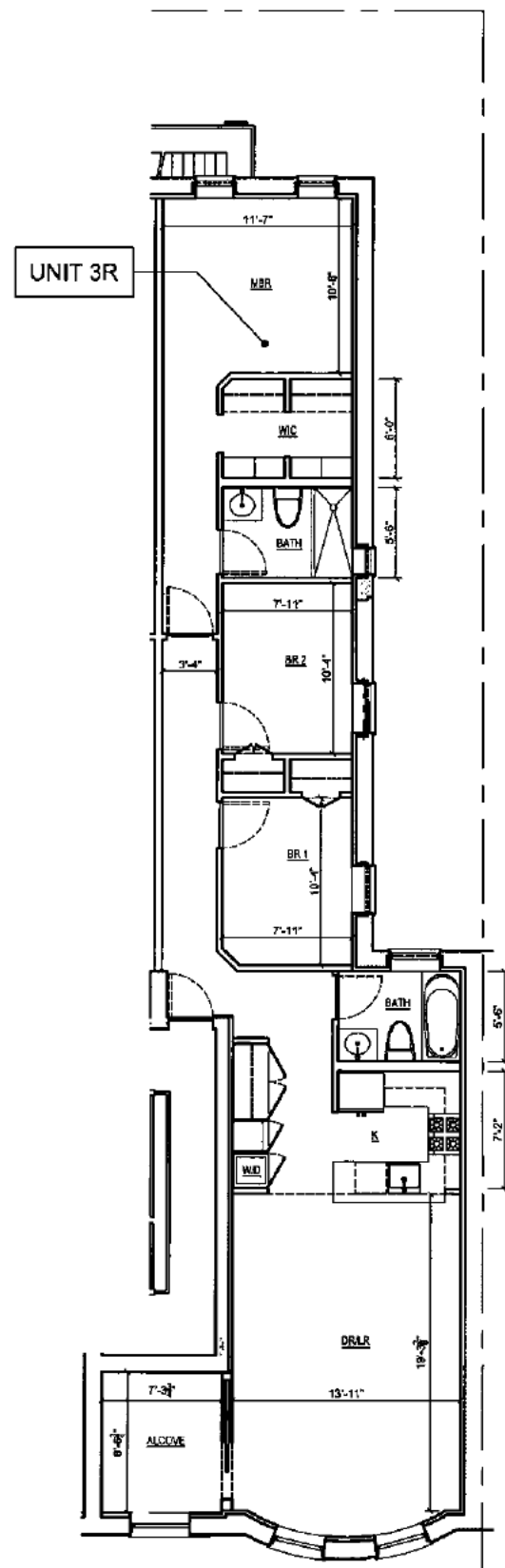
THIRD FLOOR

UNIT 3L

EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



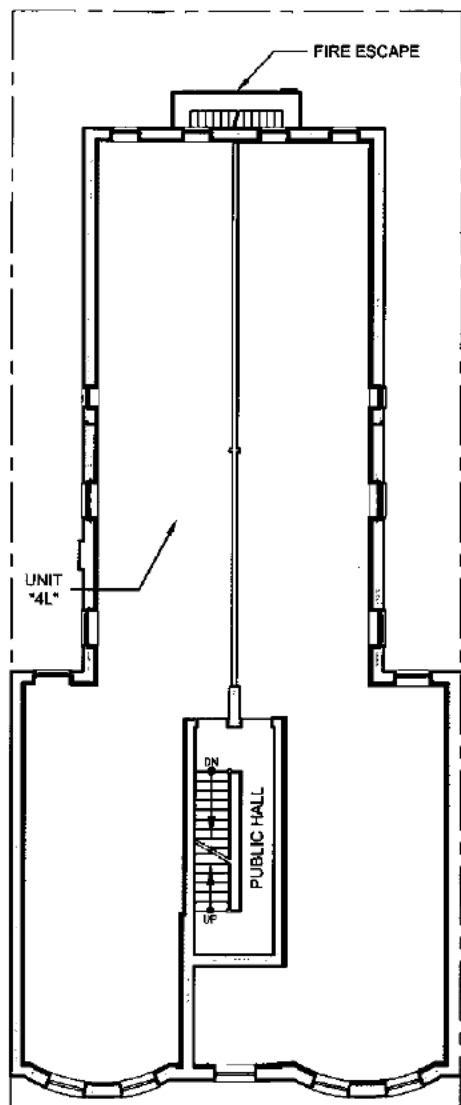
UNIT 3R FLOOR AREA: 1,254 SF



THIRD FLOOR

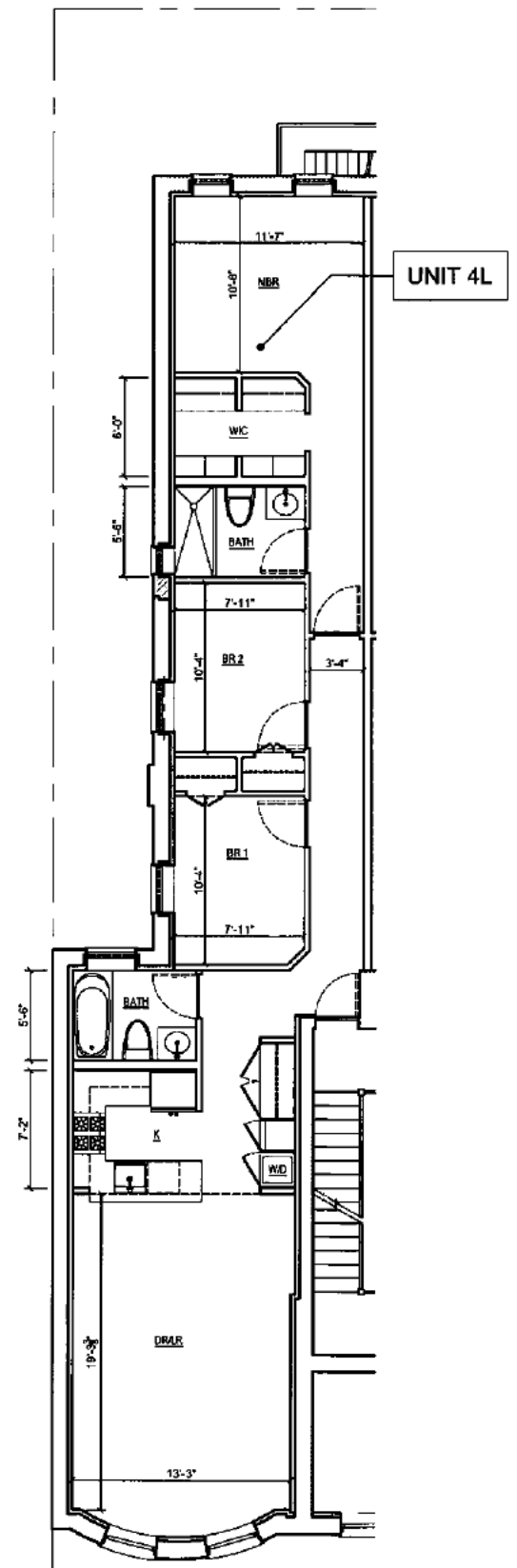
UNIT 3R

EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



4th STREET
KEY PLAN / FOURTH FLOOR

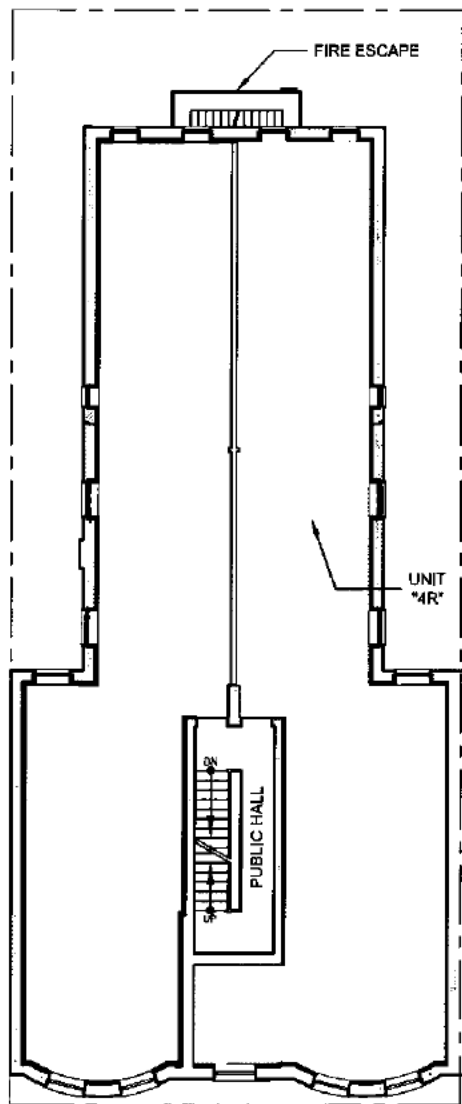
UNIT 4L FLOOR AREA: 1,154 SF



FOURTH FLOOR

UNIT 4L

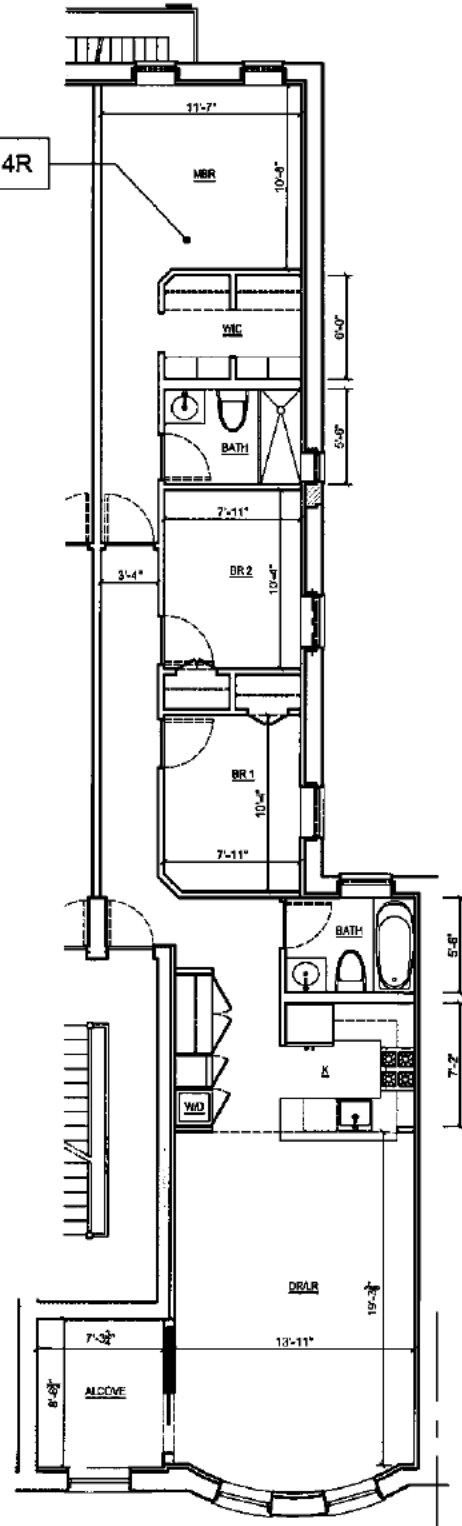
EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215



4th STREET
KEY PLAN / FOURTH FLOOR

UNIT 4R FLOOR AREA: 1,254 SF

UNIT 4R



FOURTH FLOOR

UNIT 4R

EXISTING RESIDENTIAL BUILDING ALTERATION
539 FOURTH STREET
BROOKLYN, NY 11215

RPL §339-kk

§ 3. The real property law is amended by adding a new section 339-kk to read as follows:

§ 339-KK. RENTS. (A) FOR THE PURPOSES OF THIS SECTION, "NON-OCCUPYING OWNER" SHALL MEAN A UNIT OWNER IN A CONDOMINIUM ASSOCIATION WHO DOES NOT OCCUPY THE DWELLING UNIT.

(B) IF A NON-OCCUPYING OWNER RENTS ANY DWELLING UNIT TO A RENTAL TENANT AND THEN FAILS TO MAKE PAYMENTS DUE FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES FOR SUCH UNIT WITHIN SIXTY DAYS OF THE EXPIRATION OF ANY GRACE PERIOD AFTER THEY ARE DUE, UPON NOTICE IN ACCORDANCE WITH SUBDIVISION (C) OF THIS SECTION, ALL RENTAL PAYMENTS FROM THE TENANT SHALL BE DIRECTLY PAYABLE TO THE CONDOMINIUM ASSOCIATION.

(C) IF THE COMMON CHARGES, ASSESSMENTS OR LATE FEES DUE FOR ANY UNIT HAVE NOT BEEN PAID IN FULL, WITHIN SIXTY DAYS AFTER THE EXPIRATION OF ANY GRACE PERIOD OF THE EARLIEST DUE DATE, THE BOARD OF MANAGERS SHALL PROVIDE WRITTEN NOTICE TO THE TENANT AND THE NON-OCCUPYING OWNER PROVIDING THAT, COMMENCING IMMEDIATELY AND UNTIL SUCH TIME AS ALL PAYMENTS FOR COMMON CHARGES, ASSESSMENTS OR LATE FEES ARE MADE CURRENT, ALL RENTAL PAYMENTS DUE SUBSEQUENT TO THE ISSUANCE OF SUCH NOTICE ARE TO BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION AT THE ADDRESS LISTED ON THE NOTICE. WHERE A MAJORITY OF THE BOARD OF MANAGERS HAS BEEN ELECTED BY AND FROM AMONG THE UNIT OWNERS WHO ARE IN OCCUPANCY, THE BOARD MAY ELECT NOT TO REQUIRE THAT RENTAL PAYMENTS BE MADE PAYABLE TO THE CONDOMINIUM ASSOCIATION. AT SUCH TIME AS PAYMENTS FOR COMMON CHARGES, ASSESSMENTS AND LATE FEES FROM THE NON-OCCUPYING OWNER ARE ONE AGAIN CURRENT, NOTICE OF SUCH FACT SHALL BE GIVEN WITHIN THREE BUSINESS DAYS TO THE RENTAL TENANT AND NON-OCCUPYING OWNER. THEREAFTER ALL RENTAL PAYMENTS SHALL BE MADE PAYABLE TO THE NON-OCCUPYING OWNER OR A DESIGNATED AGENT. A NON-OCCUPYING OWNER WHO DISPUTES THE ASSOCIATION'S CLAIM TO RENTAL PAYMENTS PURSUANT TO THIS SECTION SHALL BE ENTITLED TO PRESENT FACTS SUPPORTING SUCH OWNER'S POSITION AT THE NEXT SCHEDULED MEETING OF THE BOARD OF MANAGERS, WHICH MUST BE HELD WITHIN THIRTY DAYS OF THE DATE THAT SUCH BOARD RECEIVES NOTICE THAT SUCH OWNER SEEKS TO DISPUTE SUCH CLAIM.

(D) NOTHING IN THIS SECTION SHALL LIMIT ANY RIGHTS OF UNIT OWNERS OR OF THE BOARD OF MANAGERS EXISTING UNDER ANY OTHER LAW OR AGREEMENT.

(E) PAYMENT BY A RENTAL TENANT TO THE CONDOMINIUM ASSOCIATION MADE IN CONNECTION WITH THIS SECTION SHALL RELIEVE THAT RENTAL TENANT FROM THE OBLIGATION TO PAY SUCH RENT TO THE NON-OCCUPYING OWNER AND SHALL BE AN ABSOLUTE DEFENSE IN ANY NON-PAYMENT PROCEEDING COMMENCED BY SUCH NON-OCCUPYING OWNER AGAINST SUCH TENANT FOR SUCH RENT.

§ 4. This act may be enforced by any party by means of a special proceeding brought pursuant to article 4 of the civil practice law and rules.

§ 5. This act shall take effect immediately, and is applicable to all cooperative corporations and condominiums in existence on or after such date.

CHAP. 422

The Legislature of the STATE OF NEW YORK SS:

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

JOSEPH L. BRUNO
TEMPORARY PRESIDENT OF THE SENATE

SHELDON SILVER
SPEAKER OF THE ASSEMBLY

ESCROW AGREEMENT

AGREEMENT made this _____ day of _____, 2018, by and among _____ (the "PURCHASER"), 4ST PARK SLOPE DEVELOPMENT LLC (the "SPONSOR"), as sponsor of the 539 4th Street Condominium offering plan, dated _____, as amended (the "Plan") and Mark J. Nussbaum & Associates PLLC (the "ESCROW AGENT").

WHEREAS, SPONSOR has filed the Offering Plan with the Attorney General to offer for sale of condominium units at the premises located at 539 4th Street, Brooklyn, NY, 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(s) made by PURCHASER pursuant to that certain purchase agreement for the purchase and sale of unit _____ (the "Purchase Agreement") at Signature Bank, located at 1501 Avenue M, Brooklyn, in the State of New York (the "Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled "MARK J. NUSSBAUM & ASSOCIATES PLLC, ATTORNEY ESCROW ACCOUNT, IOLA" at Signature Bank, 71 Broadway, New York, NY 10006, account number [REDACTED]

1.2. ESCROW AGENT has designated the following attorneys to serve as signatories: Mark J. Nussbaum and Benjamin Fish. 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 225 Broadway, 39th Floor, New York, NY 10007, and a telephone number of 212-344-8000.

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 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, and the Purchase Agreement shall be void ab initio.

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 unit;

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 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.

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:

Mark J. Nussbaum & Associates PLLC

By: _____
Name: Mark J. Nussbaum, Esq.
Title: Principal

SPONSOR:

4st Park Slope Development, LLC

By: _____
Name: _____
Title: Managing Member

PURCHASER

By: _____
Name: _____
Title: _____

DECLARATION
Establishing a Plan for Condominium Ownership
of the Premises known as
THE 539 4TH STREET CONDOMINIUM
539 4th Street
Brooklyn, New York

Pursuant to Article 9-B of the Real Property
Law of the State of New York
Name
THE 539 4TH STREET CONDOMINIUM
Declarant
4st Park Slope Development LLC

Date of Declaration
_____, 2018

The land affected by the within instrument lies in
Block 1081 formerly known as Lot 71,
now known as Lots _____
on the Tax Map of the Borough of Brooklyn, City of New York

Mark J. Nussbaum & Associates PLLC
Attorneys for Declarant
225 Broadway, 39th Floor
New York, NY 10007
(212) 344-8000

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Exhibits

- A. Description of the Land
- B. Description of the Units
- C. Definitions
- D. By-Laws
- E. Power of Attorney

**DECLARATION
OF
THE 539 4TH STREET CONDOMINIUM**

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

4ST PARK SLOPE DEVELOPMENT LLC, a New York limited liability company,
having an office at ("Declarant"), does hereby declare as follows:

ARTICLE 1

DEFINITIONS

All capitalized terms used in this declaration (hereinafter referred to as the "Declaration") that are not otherwise defined in the Articles hereof will have the meanings set forth in Exhibit C annexed hereto, unless the context in which they are used will otherwise require.

ARTICLE 2

SUBMISSION OF THE PROPERTY

2.1 Declarant hereby submits the Land and Building (each as hereinafter defined), all other improvements erected and to be erected thereon, all easements, rights and appurtenances belonging thereto and all other property, real, personal or mixed, intended for use in connection therewith (collectively, the "Property") to the provisions of Article 9-B of the Real Property Law of the State of New York (the "Condominium Act") and pursuant thereto does hereby establish a condominium to be known as "THE 539 4TH STREET CONDOMINIUM" (the "Condominium").

2.2 Attached to this Declaration and made a part hereof are the by-laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (said by-laws, as they may be amended from time to time, are hereinafter referred to as the "By-Laws"). All capitalized terms which are not separately defined herein shall have the meanings given to those terms in the By-Laws.

ARTICLE 3

THE LAND

Included in the Property described in Article 2 is all that certain tract, plot, piece and parcel of land (the "Land") situate, lying and being in the City, County and State of New York, and more particularly described in Exhibit A annexed hereto and made a part hereof. The Land is owned by Declarant in fee simple absolute. The Land has an area of approximately square feet.

ARTICLE 4

THE PROPERTY

Included in the Property described in Article 2 is one building (the "Building") consisting of eight (8) residential units (the "Residential Unit" or "Residential Units",) collectively referred to as the "Units" and individually, a "Unit"). The owner of a Unit is herein called a "Unit Owner" and all the owners of the Units are herein collectively called the "Unit Owners."

ARTICLE 5

THE BUILDING

The Building consists of one 4 story Class IIA (protected-combustible), fully sprinklered buildings with a cellar. The Building contains new structural, mechanical, plumbing, and electrical elements.

ARTICLE 6

THE UNITS

6.1 Exhibit B annexed hereto and made a part hereof sets forth the following data with respect to each Unit necessary for the proper identification thereof: (i) its Unit designation; (ii) tax lot number; (iii) approximate location in the Building; (iv) approximate square foot area; (v) number of rooms; and (vi) the percentage interest in the General Common Elements appurtenant to such Unit. The location of each Unit is shown on the floor plans of the Building (the "Floor Plans") prepared by Moulin & Associates Inc., 150 West 28th Street, New York, New York 10001, and intended to be approved by the Real Property Assessment Department of the City of New York and filed in the New York County office of the Register of the City of New York (the "City Register's Office") following the recording of this Declaration.

6.2 Each Unit includes, and each Unit Owner shall be responsible for, the Unit side of the front entrance door and any other entrance doors to such Unit, flooring, windows, skylights and green house additions, if any, and the related installations, wallcoverings, non-load bearing interior walls and partitions and sheet rock and plaster wall covering, smoke detectors, all plumbing, gas and heating fixtures and equipment such as heating, ventilating and air conditioning ("HVAC") units (including the fans inside the units), refrigerators, dishwashers, ranges and other appliances, as may be affixed, attached or appurtenant to such Unit and serving such Unit exclusively. Plumbing, gas and heating fixtures and equipment as used in the preceding sentence shall include exposed gas and water pipes from branch or fixture shut-off valves attached to fixtures, appliances and equipment and the fixtures, appliances and equipment to which they are attached, and any special pipes or equipment which a Unit Owner may install within a wall or ceiling, or under the floor, but shall not include gas, water or other pipes, conduits, wiring or ductwork within the walls, ceilings or floors. Each Unit shall also include (i) all lighting and electrical fixtures, cabinets, including, without limitation kitchen and bathroom cabinetry, countertops, and appliances within the Unit, and (ii) any special equipment, fixtures or Facilities (as hereinafter defined) affixed, attached or appurtenant to the Unit by a Unit Owner

other than Declarant, to the extent located within a Unit and serving or benefiting only that Unit. Notwithstanding anything contained in this Article 6 to the contrary, each Unit Owner will have the right, exercisable at any time, to install, at such Unit Owner's sole cost and expense, decorations, fixtures and coverings (including, without limitation, painting, finishing, wall to wall carpeting, pictures, mirrors, shelving and lighting fixtures) on the surfaces of the walls, ceilings and floors that face the interior of such Unit Owner's Unit and to a depth of one inch behind such surfaces for the purposes of installing nails, screws, bolts and the like, provided that no such installation shall impair the structural integrity and mechanical and electrical systems of such Unit or of the Building.

6.3 As of the date of the filing of this Declaration with the City Register's Office, fee simple absolute title shall automatically vest in Declarant in all Units, individually and collectively, without the need to execute specific and particular deeds or indentures for each and every Unit.

ARTICLE 7

DIMENSIONS OF UNITS

The approximate floor area of each Unit and/or common element as reflected are approximate within reasonable tolerances and may change due to field conditions and construction variances and tolerances. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Unit and may significantly exceed the actual floor area. Floor area may include columns, interior walls, mechanical pipe shafts, shaftways, chases, chaseways and conduits which may be incorporated behind protruding walls or may be enclosed as freestanding columns, thereby reducing the available floor area. Each Unit will consist of the area measured horizontally from the exterior face of the perimeter wall to the centerline of the partitions separating one Unit from another Unit, corridors, stairs, and other mechanical equipment spaces or any common elements; or to the exterior face of the opposite perimeter walls. The building contains the following types of Units:

Units 1L and 1R will have 2 bedrooms and 2.5 bathrooms;

Units 2L, 2R, 3L, 3R, 4L, 4R will have 2 bedrooms and 2 bathrooms.

ARTICLE 8

COMMON ELEMENTS

8.1 The common elements of the Condominium (the "Common Elements") consist of the General Common Elements and the Limited Common Elements (as hereinafter defined). The General Common Elements include, but not are not limited to the Land and all parts of the Building and improvements thereon other than the Units and the Limited Common Elements and include those rooms, areas, corridors, spaces and other parts of the Building and all Facilities (defined below) therein for the common use of the Units and the Unit Owners or which are

necessary or convenient for the existence, Maintenance or safety of the Property. The Limited Common Elements of the Condominium consist of those Common Elements that serve or benefit exclusively one or more but not all of the Units or the Unit Owners. The General Common Elements are appurtenant to, serve and benefit each Unit to the extent of such Unit's percentage share of the General Common Elements. The General Common Elements are for the common use of all Unit Owners.

8.2 As used in this Declaration, the word "Facility" or "Facilities" means all equipment and facilities necessary for the operation of the Building or its systems and includes, but is not limited to, the following items (grouped more or less functionally) which are set forth only for purposes of illustrating the broad scope of that term: system, equipment, apparatus, convertor, radiator, heater, heat exchanger, mechanism, device, machinery, motor, pump, control, tank or tank assembly, insulation, induction unit, condenser, compressor, fan, damper, blower, thermostat, thermometer, coil, vent, sensor, shut-off valve or other valve, gong, panel, receptacle, outlet, relay, alarm, sprinkler head, electric distribution facility, wiring, wireway, switch, switchboard, circuit breaker, transformer, fitting, siamese connection, hose, plumbing fixture, lighting fixture, other fixture, bulb, sign, telephone, meter, meter assembly, scaffolding, piping, line, duct, conduit, cable, riser, main shaft, cab, pit, flue, lock or other hardware, rack, screen, strainer, trap, drain, catch basin, leader, filter, canopy, incinerator, closet, door, railing, coping, step, appurtenance, urn, basket, mail box, carpeting, tile or other floor covering, wallpaper or other wall covering, tree, shrubbery, flower or other planting and horticulture tub or box.

8.3 The Common Elements will remain undivided and no Unit Owner or other person will bring or will have the right to bring any action for partition or division thereof except as may be specifically provided for herein and in the By-Laws.

8.4 The General Common Elements consist of the following:

8.4.1 The Land (as more particularly described in Exhibit A attached to this Declaration), together with all easements, rights and privileges appurtenant thereto.

8.4.2 Any of the following: all foundations, footings, columns, girders, floor slabs and ceilings, beams, and supports and interior load bearing walls, together with those portions of the exterior walls of the Building beyond the Unit side of the glass or concealed block work or concealed structural members of those walls.

8.4.3 Central and appurtenant Facilities for services such as heating, cooling venting, air-conditioning, communications, security, lighting, plumbing, sewage, drainage, gas supply, electrical work, and/or fire safety which exclusively serve the Building.

8.4.4 The rooms and Facilities, including but not limited to: compactor room, machine room and the house traps, the entrance, reception, main lobby, mail boxes, boiler rooms, laundry room, storage room, mechanical room, pump rooms, electrical room, sprinkler house trap and compactor room, the water tower and pump, and any Facilities located on the roof.

8.4.5 Any of the following: all columns, girders, floor slabs and ceilings, beams, and supports, skylights, exterior walls and load bearing interior walls (including those within each Unit exclusive of sheet rock or plaster coats or any wall coverings or decorations

thereon) and interior load bearing walls from above the slab of the Building to the roof (except as otherwise provided in Section 8.)

8.4.6 Electric meters and panels, electric closets, feeders, risers and Facilities, gas meter and telephone cables serving exclusively the Building.

8.4.7 Kitchen, bathroom and dryer exhaust ducts, corridor and Unit supply air ducts, steam lines supply and return for heating, water pressure reducing valve system, and all other Facilities in the floor and ceilings serving or benefiting the Condominium.

8.4.8 CATV riser and all other Facilities located in the Property serving or benefiting the Condominium to the extent that the same are not owned by a third party.

8.4.9 All passages, hallways, stairs and corridors, all mechanical space and all other rooms, areas, spaces and other parts of the Building which are not Units or Limited Common Elements.

8.4.10 The rear yard pavings, fencing, retaining walls, and drainage equipment.

8.4.11 Fire staircase located in the Building and its landings and stairs from the landing on the First Floor to the roof.

8.4.12 The roof.

8.4.13 Any mechanical equipment on the roof.

8.4.14 Any other Facilities on, in, or around the Building which serve or benefit or are necessary or convenient for the existence, Maintenance, operation or safety of the Condominium and are not a part of any Unit or any Limited Common Element.

8.5 The Limited Common Elements consist of the following:

8.5.1 The front and rear yards, decks, balconies, Terraces, and/or Storage areas to which one or more Units have access as set forth in Exhibit B annexed hereto. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, where a Yard, Storage area, Terrace or a Balcony is a Limited Common Element appurtenant to a Unit, the Unit Owner thereof shall have the exclusive right to use such Yard, Storage area, Terrace or Balcony subject to rights of the Condominium Board to regulate its use and to access the Yard, Storage area, Terrace or Balcony for maintenance, repair and replacement and other uses.

8.5.2 That portion of equipment, fixtures or Facilities serving or benefiting one Unit, to the extent located within another Unit or within a Common Element to which there is direct and exclusive access from the interior of a Unit. Notwithstanding anything to the contrary contained in the By-Laws or this Declaration, the Unit Owner who is so served or benefited by such Limited Common Element shall have the exclusive right to use such Limited Common Element and shall be responsible for its normal operation, maintenance and repair at such Unit Owner's sole cost and expense.

8.5.3 All other Facilities exclusively serving one or more but not all Units, excluding the Units and the General Common Elements, and which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of one or more but not all of the Units.

ARTICLE 9

USE OF BUILDING AND UNITS

9.1 Except as more particularly set forth in this Declaration or the By-Laws, Residential Units may be used for residential purposes only, but not more than one family may occupy a Unit at one time. A Unit owned or leased by an individual, corporation, partnership, limited liability company, fiduciary or any other entity (including, but not limited to, the United States government and any instrumentality thereof and foreign governments and any embassy, consulate, or other instrumentality thereof,) may only be occupied (unless the Condominium Board otherwise consents) by said individual, or an officer, director, stockholder or employee of such corporation, or a partner or employee of such partnership, or said fiduciary (including directors, officers, stockholders or employees of corporate fiduciaries or partners or employees of partnership fiduciaries) or the beneficiary of said fiduciary, or a principal or employee of such other entity, respectively, or members of the immediate family, guests or domestic employees of any of the foregoing (and nothing contained in this sentence shall be deemed to prohibit the exclusive occupancy of any Unit by such family members, guests or domestic employees). Any Unit may be used for professional purposes, or for any other lawful purposes, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Unit, (2) applicable Law, (3) the use of such Unit not adversely affecting the use and enjoyment of neighboring or adjacent Units for residential purposes, (4) compliance with the By-Laws and (5) the prior written permission of the Condominium Board, which permission shall in no event be granted unless the Condominium Board affirmatively finds that the conditions in (1) through (3) above have been met. A home office use hereunder shall only be accessory to the residential use of the Unit. No clients or business invitees shall be permitted to visit a home office and no Signs shall be allowed in connection with the home office. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

9.2 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, Declarant may, without the permission of the Condominium Board, (1) grant permission for the use of any Unsold Unit (as defined in Exhibit C) owned by it as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the then existing certificate of occupancy for such Unit or any other governmental regulations and (2) use any Unsold Units owned by it as models and sales and/or promotion offices in connection with the sale or rental of the Units, subject only to compliance with applicable Law.

9.3 As more particularly set forth in the By-Laws a Unit may be used for any lawful purpose, subject, however, to (1) the terms and conditions of the then existing certificate of occupancy for such Unit, (2) applicable Law, and (3) the use of such Unit not adversely affecting the use and enjoyment of neighboring or adjacent Units for residential purposes. Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

ARTICLE 10

CHANGES IN THE CONDOMINIUM

Except to the extent prohibited by Law, Declarant or the owner of an Unsold Unit shall have the right, without the vote or consent of the Condominium Board, other Unit Owners or the Mortgage Representatives, if any, to: (a) make alterations, additions or improvements to any Unsold Units; (b) change the use (subject to Section 9.2 above) or layout of, or number of rooms in, any Unsold Units from time to time; (c) change the size and/or number of Unsold Units by subdividing one or more Unsold Units into two or more separate Units, combining separate Unsold Units (including those resulting from such subdivision or otherwise) into one or more Units, converting a Unit or any portion thereof to a Common Element or Limited Common Element, altering the boundary walls between any Unsold Units, or otherwise, including incorporating Common Elements (such as a portion of a hallway used exclusively by the occupant(s) of such Unsold Unit) which exclusively benefit an Unsold Unit into such Unit; (d) designate a Unit or a Common Element as part of a newly created or expanded Unit, Limited Common Element or General Common Element or designate all or part of a Unit as a newly created or expanded Unit, Limited Common Element or General Common Element; and (e) if appropriate, reapportion among the Unsold Units affected by such change in size, use or number pursuant to the preceding clauses (b) and (c) their percentage interests in the Common Elements; provided, however, that (i) the percentage interest in the Common Elements of any other Units (other than Unsold Units) shall not be changed by reason thereof unless the owners of such Units shall consent thereto; (ii) Declarant or the owner of an Unsold Unit, as the case may be, shall comply with all Laws of all governmental authorities having jurisdiction and shall agree to hold the Condominium Board and all other Unit Owners harmless from any liability arising therefrom. By written permission of the Condominium Board, which permission, shall not be unreasonably withheld, any other Unit Owner may be given, with respect to his Unit, the same rights and be subject to the same limitations and conditions as are set forth in this Article 10 with respect to Unsold Units, including, without limitation, the right to combine, subdivide and/or otherwise reconfigure two or more adjacent Units owned by such Unit Owner. Notwithstanding the other provisions of this Article 10, no reapportionment of the interests in the Common Elements appurtenant to any Unit shall be made unless there is first delivered to the Condominium Board a written certification stating that the percentage interests of the respective Units in the Common Elements, immediately after such reapportionment, will be based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The certification referred to in the preceding sentence shall be delivered (i) at Declarant's election, by Declarant, the managing agent of the Condominium or any other person reasonably acceptable to the Condominium Board in the case of any Unsold Unit, and (ii) by either the managing agent of the Condominium, or any other person reasonably acceptable to the Condominium Board in the case of any other Unit. Declarant or the owner of any Unsold Unit will have the right, without the consent of any other Unit Owner or Board to amend the Declaration and By-Laws to reflect the foregoing changes. The provisions of this Article 10 may not be added to, amended, modified or deleted without the prior written consent of Declarant or the owner of any Unsold Unit.

ARTICLE 11

INTENTIONALLY OMITTED

ARTICLE 12

PERSON TO RECEIVE SERVICE

The Secretary of State of the State of New York is hereby designated to receive service of process in any action which may be brought against the Condominium.

ARTICLE 13

DETERMINATION OF PERCENTAGE INTERESTS IN COMMON ELEMENTS

13.1 The Percentage of Common Interest is based on the interest in the approximate proportion that the floor area of the Unit at the date of the Declaration bears to the then aggregate floor area of all the Units, but such proportion reflects the substantially exclusive advantages enjoyed by one or more but not all the Units in part or parts of the Common elements as per Real Property Law 339-i(1)(ii).

ARTICLE 14

ENCROACHMENTS

If (a) any portion of the Common Elements encroaches upon any Unit or upon any other Common Element, (b) any Unit encroaches upon any other Unit or upon any portion of the Common Elements or (c) any such encroachments shall hereafter occur as a result of (i) settling or shifting of the Building, (ii) any alteration, repair or restoration of the Common Elements made by or with the consent (when required by the By-Laws) of the Condominium Board, or made by Declarant or the owner of an Unsold Unit, in accordance with this Declaration or the By-Laws or (iii) any alteration, repair or restoration of the Building (or any portion thereof) or of any Unit or Common Element after damage by fire or other casualty or any taking by condemnation or eminent domain proceedings of all or any portion of any Unit or the Common Elements; then, in any such event, a valid easement shall exist for such encroachment and for the Maintenance of the same as long as the Building shall stand.

ARTICLE 15

NAME OF CONDOMINIUM AND BUILDING

The Condominium and the Building shall be designated and known as "THE 539 4TH STREET CONDOMINIUM". Declarant shall own and control all rights and interests, and shall be responsible for all obligations and liabilities, appurtenant to the name of the Condominium and/or the Building. Only Declarant shall have the right to change or assign the name of the Condominium and/or the Building. In addition, Declarant shall have the right, for so long as the Property is a condominium, to maintain a plaque identifying Declarant as the sponsor of the

condominium offering, together with such other information as Declarant determines in its sole discretion.

ARTICLE 16

EASEMENTS

16.1 Except as set forth in this Declaration, each Unit Owner shall have, in common with all other Unit Owners, an easement for the use of the Common Elements and any Facilities located therein, including, but not limited to, such easement as will be necessary to Maintain, repair, rebuild, restore and replace, as necessary, such Unit Owner's Unit and an easement to connect to existing utilities including, but not limited to, utilities for gas, electricity, steam and ventilation. The Condominium shall be subject to such easement.

16.2 Each Unit Owner shall have, in common with all other Unit Owners, an easement for ingress and egress through the Building and for the use of any Common Element, to the extent necessitated by an emergency. The Condominium shall be subject to such easement.

16.3 The Condominium Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate and Maintain the General Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to Maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the General Common Elements.

16.4 The Condominium Board shall have and each Unit shall be subject to, an easement (a) to install, utilize, operate, maintain, repair, alter, rebuild, restore and replace the Common Elements located in, over, under, through or upon any Unit, or any other Common Elements or elsewhere on the Property and (b) to maintain any encroachment on any Unit or Common Elements resulting from the repair, alteration, rebuilding, restoration or replacement of the Units or the Common Elements; provided that access to any Unit or the Common Elements in furtherance of such easement shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one days' notice, except that no notice will be necessary in the case of an emergency.

16.5 Each Unit shall have an easement of support and of necessity and shall be subject to an easement of support and necessity in favor of all other Units and the Common Elements.

16.6 Declarant or its designee and their successors and assigns shall, to the extent permitted by Law, have an easement to erect, operate and Maintain from time to time, one or more signs, awnings, marquees, canopies, banners, flags, pennants, aerials, antennas or the like (each a "Sign") on the Property for the purposes of advertising (i) the sale or lease of any Unsold Unit, the sale or lease of all or any portion of the Units and (ii) the operation of any business of Declarant, a tenant, occupant, managing agent or operator of all or any portion of any Unsold Units, as the case may be. Declarant shall have an easement to utilize the Common Elements of the Building in connection with its sales and leasing efforts relative to the Unsold Units. Declarant will have an easement and the rights to change the facade of the Building and alter,

replace, restore, renovate, remodel and reconstruct the existing facade of the Building, provided that such penetration does not materially weaken the structural soundness of the Building.

16.7 Declarant shall have an easement to use the sidewalks and the surrounding portions of the Building for purposes permitted by Law.

16.8 Declarant or its designee and the Condominium Board with respect to the Property, shall have the right to grant such additional electric, gas, steam, ventilation or other easements for utilities or otherwise or construct any shafts or flues, or install or relocate any compressors or other rooftop equipment or relocate any easements in any portion of the Property, as Declarant or its designee or the Condominium Board, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or to complete the Building as described in the Plan, or for the general health or welfare of the owners, tenants and occupants of the appropriate Units, provided that such additional utilities or the relocation of existing utilities will not prevent or unreasonably interfere with the use of the Units for their permitted purposes, and shall not result in the imposition of any mechanic's lien against any of the Units. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

16.9 Declarant and the owner of any Unsold Unit, assignees and licensees shall have, and the Units and Common Elements shall be subject to, an easement, (a) to install, utilize, operate and Maintain satellite dishes and similar equipment on the roofs and facade of the Building and elsewhere on the Common Elements and the conduit and other Facilities relating thereto, other than those portions of the roof which comprise Limited Common Elements and to retain any and all income derived therefrom, and (b) to maintain any encroachment on any Unit, or any Common Elements or elsewhere on the Property resulting from the installation, operation, maintenance, repair, alteration, rebuilding, restoration or replacement thereof. The Condominium shall not be entitled to any portion of fees, compensation or other profits received by Declarant, its designees, assignees or licensees for the use of the aforesaid easements or equipment. Any satellite dishes or other facilities placed upon the roof and the facade of the Building and elsewhere on the Common Elements by Declarant, its designees, assignees or licensees shall be the exclusive property of Declarant, its designees, assignees or licensees and neither the Condominium nor any other Unit Owners shall have any rights with respect thereto. Notwithstanding the foregoing, additional utilities or the relocation of existing utilities cannot be installed in a manner that would unreasonably interfere with the use of the Units for their permitted purposes. Such entry shall be permitted on not less than one day's notice, except that no notice will be necessary in the case of an emergency.

16.10 Any easements granted to Declarant, the Condominium Board, any Unit or any Unit Owner or other party under this Declaration and the By-Laws may be exercised by such Unit Owner's employees, agents, contractors, suppliers, utility providers, service providers, customers, guests, invitees, licensees, servants, tenants, tenant-shareholders, subtenants, visitors, and/or members, as the case may be, to the extent necessary to effectuate the purpose for the easement or as otherwise authorized by Declarant, the Unit Owner or the Condominium Board,

provided such right of access shall be exercised in such manner as shall not unreasonably interfere with the use of the Units for their permitted purposes.

ARTICLE 17

POWER OF ATTORNEY

17.1 Each Unit Owner shall grant to the Condominium Board an irrevocable power of attorney, coupled with an interest (annexed as Exhibit E to this Declaration or otherwise in such form and content as the Condominium Board shall determine) following due authorization (if required) from the Unit Owners (a) to acquire or lease any Unit, together with its Appurtenant Interests (as defined hereinafter), whose owner desires to sell, convey, transfer, assign, lease or surrender the same, or which becomes the subject of a foreclosure or other similar sale, on such terms and at such price or rental, as the case may be, as the attorneys-in-fact deem proper, in the name of the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, and after any such acquisition or leasing, to convey, sell, lease, sublease, mortgage or otherwise deal with (but not vote the interest appurtenant thereto) any such Unit so acquired, or to sublease any Unit so leased, without the necessity of further authorization by the Unit Owners, on such terms as the attorneys-in-fact may determine, (b) to commence, pursue, appeal, settle and/or terminate administrative and certiorari proceedings to obtain reduced real estate tax assessments with respect to Units, including retaining counsel and taking any other actions which the Condominium Board deems necessary or appropriate and (c) to execute, acknowledge and deliver any declaration or other instrument affecting the General Common Elements or the entire Property which the Condominium Board deems necessary or appropriate to comply with any Law or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition, construction, of the entire Property or any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Units or the Common Elements which the Condominium Board deems necessary or appropriate.

17.2 Each Unit Owner shall grant to Declarant a power of attorney to amend the Condominium Declaration and to effectuate the rights granted to Declarant under the Declaration and By-Laws and the Plan including the power to execute the Required Documentation.

ARTICLE 18

ACQUISITION OF UNITS BY CONDOMINIUM BOARD

18.1 If (a) any Unit Owner surrenders such Unit Owner's Unit, together with (i) the undivided interest in the Common Elements appurtenant thereto, (ii) the interest of such Unit Owner in any other Units theretofore acquired by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners or the proceeds of the sale or lease thereof, if any, and (iii) the interest of such Unit Owner in any other assets of the Condominium (such interests in (i), (ii) and (iii) being hereinafter collectively called the "Appurtenant Interests"), pursuant to the provisions of Section 339-x of the Condominium Act, (b) the Condominium Board, pursuant to Article 8 of the By-Laws, acquires or leases a Unit, together with the Appurtenant Interests, or (c) the Condominium Board purchases, at a foreclosure or other similar

sale, a Unit, together with the Appurtenant Interests, then, in any such event, title to any such Unit, together with the Appurtenant Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements. The lease or sublease covering any Unit leased or subleased by the Condominium Board or its designee shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interest in the Common Elements.

18.2 The Condominium Board shall have the authority to purchase, on behalf of all Unit Owners, a Unit to be used as the residence of the Resident Manager of the Building and, in such event, title to all or any such portion of the Unit, together with its Appurtenant Common Interests, shall be held by the Condominium Board or its designee, corporate or otherwise, on behalf of all Unit Owners, in proportion to their respective interests in the Common Elements.

ARTICLE 19

COVENANTS RUNNING WITH THE LAND

19.1 All provisions of this Declaration, the By-Laws and the Rules and Regulations which are annexed hereto and made a part hereof, including, without limitation, the provisions of this Article, shall to the extent applicable and unless otherwise expressly herein or therein provided to the contrary, be perpetual and be construed to be covenants running with the Land and with every part thereof and interest therein, and all of the provisions hereof and thereof shall be binding upon and inure to the benefit of the owner of all or any part thereof, or interest therein, and such Unit Owner's heirs, executors, administrators, legal representatives, successors and assigns, but the same are not intended to create, nor shall they be construed as creating, any rights in or for the benefit of the general public or any other third party. All present and future owners, tenants, subtenants, licensees, and other occupants of Units shall be subject to and shall comply with the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time. The acceptance of a deed or conveyance or the entering into of a lease or the entering into occupancy of any Unit shall constitute an agreement that the provisions of this Declaration, the By-Laws and the Rules and Regulations, as they may be amended from time to time, are accepted and ratified by such owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the Land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease or use and occupancy agreement thereof.

19.2 If any provision of this Declaration or the By-Laws is invalid under, or would cause this Declaration and the By-Laws to be insufficient to submit the Property to the provisions of, the Condominium Act, such provision shall be deemed deleted from this Declaration or the By-Laws, as the case may be, for the purpose of submitting the Property to the provisions of the Condominium Act but shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under other applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this

Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land. If any provision which is necessary to cause this Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from this Declaration or the By-Laws, then such provision shall be deemed included as part of this Declaration or the By-Laws, as the case may be, for the purposes of submitting the Property to the provisions of the Condominium Act.

19.3 Subject to Section 19.2, if this Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the provisions of this Declaration and the By-Laws shall nevertheless be valid and binding upon and inure to the benefit of the owners of the Property, and their heirs, executors, administrators, legal representatives, successors and assigns, as covenants running with the Land and with every part thereof and interest therein under applicable Law to the extent permitted under such applicable Law with the same force and effect as if, immediately after the recording of this Declaration and the By-Laws, all Unit Owners had signed and recorded an instrument agreeing to each such provision as a covenant running with the Land.

ARTICLE 20

AMENDMENTS OF DECLARATION

20.1 Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, (a) any provision of this Declaration may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of the By-Laws; provided, however, that the Common Interest appurtenant to each Unit as expressed in this Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, no amendment, modification, addition or deletion without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives (as defined in the By-Laws), if any. No such amendment, modification, addition or deletion shall be effective until recorded in the City Register's Office. Subject to the provisions contained herein or in the By-Laws with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Condominium Board as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Subject to the foregoing provisions of this Section 20.1 and the rights of Declarant or its designee under Articles 9, 10 and 11 of this Declaration, Articles 8 and 9 of this Declaration may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as the case may be, as set forth above) 80% in number and in Common Interest of all Unit Owners affected thereby.

20.2 If the number of rooms in an Unsold Unit is changed, or the use, size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the

appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting, such change in the number of rooms in an Unsold Unit or in the use, size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of the Condominium Board, the Unit Owners or the Mortgage Representatives, if any. In addition, if any Unit Owner other than Declarant or its designee causing such changes is given the right by the Condominium Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Unit or Units, all in accordance with Article 10 hereof, then such Unit Owner shall have the right to require the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Condominium Board) to reflect the changes made by the Unit Owner, all without the approval of the Condominium Board, other Unit Owners or the Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.3 If the number of rooms in an Unsold Unit is changed, or the use, size and/or number of Unsold Units is changed (whether as a result of a subdivision or combination of Unsold Units or alteration of boundary walls between Unsold Units, or otherwise) and the appurtenant percentage interests of Units in the Common Elements are reapportioned as a result thereof, all in accordance with Article 10 hereof, then Declarant or its designee causing such changes shall have the right to execute, or (upon its request) to require any other Unit Owner or the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by Law, an amendment to this Declaration (together with such other documents as Declarant or its designee causing such changes deems appropriate to effectuate the same) reflecting such change in the number of rooms in an Unsold Unit or in the use, size and/or number of Unsold Units (whether as a result of said subdivision, combination, alteration or otherwise) and the reapportionment of the percentage interests of Units in the Common Elements resulting therefrom, all without the approval of the Condominium Board, the Unit Owners or the Mortgage Representatives, if any. In addition, if any Unit Owner other than Declarant or its designee causing such changes is given the right by the Condominium Board to make the changes described in this Section 20.2 with respect to such Unit Owner's Unit or Units, all in accordance with Article 10 hereof, then such Unit Owner shall have the right to require the Condominium Board to execute, and record in the City Register's Office and elsewhere, if required by Law, any amendment to this Declaration and other documents which are necessary or appropriate (in the reasonable judgment of the Condominium Board) to reflect the changes made by the Unit Owner, all without the approval of the Condominium Board, other Unit Owners or the Mortgage Representatives, if any. Nothing contained in this Section shall be construed to mean that the Common Interest appurtenant to any Unit not subject to any change may be reapportioned without the written consent of the Owner of such Unit.

20.4 The provisions of Sections 20.1 and 20.2 and this Section 20.4 may not be modified, amended, added to or deleted, in whole or in part, without the consent of Declarant or its designee. Notwithstanding the foregoing, Declarant may amend the Condominium Declaration to correct or supplement any mathematical mistakes, inconsistencies or scrivener errors.

ARTICLE 21

TERMINATION OF CONDOMINIUM

The Condominium shall continue and the Property shall not be subject to an action for partition (unless terminated by casualty loss, condemnation or eminent domain, as more particularly provided in the By-Laws) until such time as withdrawal of the Property from the provisions of the Condominium Act is authorized by a vote of at least 80% in number and in Common Interest of all Unit Owners. No such vote shall be effective, however, (a) without the written consent (which consent shall not be unreasonably withheld or delayed) of the Mortgage Representatives, if any, and (b) without the written consent of Declarant, until such time as Declarant and the owner of any Unsold Units have conveyed title to all Units, provided that in no event shall Declarant's consent be required more than five years after the date fee title to a Unit is first conveyed to a purchaser by Declarant or its designees pursuant to an offering plan. In the event said withdrawal is authorized as aforesaid, the Property shall be subject to an action for partition by any Unit Owner or lienor as if owned in common, in which event the net proceeds of sale shall be divided among all Unit Owners in proportion to their respective Common Interests; provided, however, that no payment shall be made to a Unit Owner until there has first been paid from out of such Unit Owner's share of such net proceeds all liens on such Unit Owner's Unit (other than mortgages which are not Permitted Mortgages), in the order of priority of such liens.

ARTICLE 22

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 23

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 24

CERTAIN REFERENCES

24.1 A reference in this Declaration to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural and vice versa, unless the context otherwise requires.

24.2 The terms "herein," "hereof" or "hereunder" or similar terms used in this Declaration refer to this entire Declaration and not to the particular provision in which the terms are used, unless the context otherwise requires.

24.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Declaration.

ARTICLE 25

SEVERABILITY

Subject to the provisions of Sections 19.2 and 19.3, if any provision of this Declaration is invalid or unenforceable as against any person or under certain circumstances, the remainder of this Declaration and the applicability of such provision to other persons or circumstances shall not be affected thereby. Each provision of this Declaration shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law.

ARTICLE 26

COVENANT OF FURTHER ASSURANCES

26.1 Any party which is subject to the terms of this Declaration, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action as such other party may reasonably request to effectuate the provisions of this Declaration or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

26.2 If any Unit Owner or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Condominium Board which represents such Unit Owner, is hereby authorized as attorney-in-fact for such Unit Owner, or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner, Condominium Board or other party and such document or action shall be binding on such Unit Owner, Condominium Board or other party.

26.3 If any Unit Owner or any other party which is subject to the terms of this Declaration fails, within 10 days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, Condominium Board or party is required to perform, execute, acknowledge and deliver pursuant to this Declaration at the request of Declarant or its designee, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, Condominium Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or to take such action in the name of such Unit Owner, Condominium Board or other party and such document or action shall be binding on such Unit Owner, Board or other party, as the case may be.

ARTICLE 27

SUCCESSORS AND ASSIGNS

Except as set forth herein or in the By-Laws to the contrary, the rights and/or obligations of Declarant or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee, or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Units then owned by Declarant or its designee, as the case may be. Subject to the foregoing, Declarant, its designee, shall have the right, at any time, in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

ARTICLE 28

CONSENTS

Whenever the consent, approval, satisfaction or permission of Declarant or its designee is required under this Declaration or the By-Laws, such consent, approval, satisfaction or permission will not be required when Declarant or such designee no longer owns any Units.

ARTICLE 29

INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Exhibit A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the definitions annexed hereto as Exhibit C; (iv) the By-Laws annexed hereto as Exhibit D; (v) the Power of Attorney annexed hereto as Exhibit E; and (vi) the Floor Plans, are each incorporated herein by this reference and made a part of this Declaration as if set forth at length in the text hereof.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the
____, day of _____, 2018.

4ST PARK SLOPE DEVELOPMENT LLC,
a New York limited liability company
By:

By: _____
Name:
Title: Member

ACKNOWLEDGMENTS

State Of New York)
)ss.:
County Of)

On the ____ day of _____ in the year 2018 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) acted, executed the instrument.

Notary Public

EXHIBIT A

DESCRIPTION OF THE LAND

All that/those certain plot/plots, piece/pieces or parcel/parcels of land, situate, lying and being in the Borough of Brooklyn, County of Kings, City and State of New York, bounded and described as follows:

EXHIBIT B TO THE CONDOMINIUM DECLARATION

TO BE COMPLETED PRIOR TO RECORDATION OF CONDOMINIUM DECLARATION

THE 539 4 TH STREET CONDOMINIUM							
Unit Designation	Tax Lot Number	Number of Bedrooms/ Bathrooms	Location (Building Facade)	Square Footage	Limited Common Element Square Footage	Common Elements to which Unit has Immediate Access	Percentage of Interest in the Common Elements
TOTAL							

EXHIBIT C

DEFINITIONS

For convenience of presentation, definitions of certain of the terms used in the Declaration are set forth below:

“Arbitration” shall have the meaning ascribed thereto in Section 11.1 of the By-Laws.

“Building” refers to the structure and improvements including above and below grade segments, known as 539 4th Street, Brooklyn, NY 11215 in which the Units of the Condominium are located.

“By-Laws” refers to the By-Laws governing the operations of the Condominium, which are set forth as Exhibit D of the Declaration, as same may be amended from time to time.

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

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

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

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

“Common Elements” refers to the Land and all portions of the Building other than the Units, and include the General Common Elements and Limited Common Elements as more particularly described in Article 8 of the Declaration.

“Common Expenses” refers to the costs and expenses incurred or projected in connection with the Maintenance of and to the Common Elements and/or the Limited Common Elements (to the extent such costs and expenses are not the obligation of the Unit Owners owning the Units to which such Limited Common Elements are appurtenant) or in connection with any services or facilities exclusively benefiting the Building and the Unit Owners.

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

“Condominium” refers to THE 539 4TH STREET CONDOMINIUM.

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

“Condominium Board” refers to the board of managers of the Condominium.

“Declarant” refers to 4ST PARK SLOPE DEVELOPMENT LLC, a New York limited liability company, and its successors and assigns.

“Declarant and/or its designee(s),” “Declarant or a designee of Declarant” or similar term refers to Declarant, any of the partners of Declarant, any affiliate of Declarant, any affiliate of any of the general or limited partners of Declarant, any officer or shareholder of a corporate partner of Declarant, or any partner of a partnership which is a partner of Declarant or any party designated in writing as a designee.

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

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

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

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

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

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

“Initial Control Period” refers to the period during which members of the Condominium Board elected or designated by Declarant constitute a majority of the members of said Board (until 5 of the 8 Units are sold).

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

“Law or Laws” refers to laws and ordinances of any or all of the federal, state, city, county and borough governments and rules, regulations, orders and directives of any or all departments, subdivisions, bureaus, agencies or offices thereof, or of any other governmental, public or quasi-public authorities, having jurisdiction over the Property,

the Land, the Building, and Unit or any portion of any of the foregoing, any requirements or conditions of any licenses, permits, approvals or certificates issued by any of the foregoing, the direction of any public officer pursuant to law, and the requirements and conditions of any easement, covenant, restriction, condition or other encumbrance that is binding upon the Property or the applicable portion thereof.

“Limited Common Elements” refers to those Common Elements which serve or benefit exclusively one or more but not all the Units and/or the Unit Owners including, but not limited to the front yard, rear yard, decks, Terraces or balconies appurtenant to certain Units.

“Maintenance or Maintain” refers to the maintenance, repair, reconditioning, refurbishing, reconfiguration, inspection, testing, cleaning, improvement, decorating, painting, installation, alteration, addition, reconstruction, construction, demolition, restoration and replacement as and when necessary or desirable of any portion of the Building.

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

“Non-Purchasing Tenant” has the meaning set forth in Section 352-eeee of the New York State General Business Law.

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

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

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

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

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

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

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

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

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

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

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

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

“Terrace(s)” refers to decks, terraces and/or balconies appurtenant to certain Units.

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

“Unit” or “Condominium Unit” refers to a Unit as more particularly designated in the Declaration and the Floor Plans and all such Units are collectively referred to as “Units.”

“Unit Owner” refers to any Unit Owner and all of such Unit Owners are collectively referred to as the “Unit Owners.”

“Unsold Unit” refers to any Unit owned or retained, by way of lease or any other arrangement by which management and/or financial responsibility is retained, by (i) Sponsor, (ii) any party designated by Sponsor as a “sponsor” under the Plan (iii) any party designated by Sponsor as the owner of an Unsold Unit, (iv) the holder of a Permitted Mortgage given by a Sponsor or (v) the designee of a holder of such a Permitted Mortgage.

BY-LAWS
OF
THE 539 4TH STREET CONDOMINIUM
539 4TH STREET
BROOKLYN, NY

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BY-LAWS

ARTICLE 1.

GENERAL

1.1 Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of THE 539 4TH STREET CONDOMINIUM (the "Condominium"). The Condominium covers the property (the "Property") consisting of approximately _____ square feet of land (the "Land") which forms a part of Lot 71, Block 1081 of the Tax Map of the Borough of Brooklyn, County of Kings, City and State of New York, the buildings and other improvements now or hereafter to be constructed thereon or therein, as the case may be (hereinafter collectively called the "Building"), including, without limitation, the Units and the Common Elements, all easements, rights and appurtenances belonging thereto, and all other property, real, personal or mixed, intended for use in connection therewith, all of which have been submitted to the provisions of Article 9-B of the Real Property Law of the State of New York by the recording of a Declaration (which, as the same may be amended from time to time, is herein called the "Declaration") in the New York County Office of the Register of The City of New York ("City Register's Office"), together with these By-Laws. All terms used herein which are not separately defined herein, shall have the meanings given to those terms in the Declaration or in Exhibit C thereto.

1.2 Applicability of By-Laws. These By-Laws are applicable to the Property and to the use and occupancy thereof. All present and future Unit Owners, mortgagees, lessees, sublessees and other occupants of Units and employees and guests of Unit Owners, as well as all other persons who may use the facilities of the Property, are and shall be subject to the Declaration, these By-Laws and the Rules and Regulations (as hereinafter defined). The acceptance of a deed or conveyance, or the succeeding to title to, or the execution of a lease or sublease for, or the act of occupancy of, a Unit shall constitute an agreement that the provisions of these By-Laws, the Rules and Regulations and the Declaration are accepted, ratified, and will be complied with.

1.3 Principal Office of Condominium. The principal office of the Condominium shall be located within the Property or at such other place within the Borough of Kings reasonably convenient thereto, as may be designated from time to time by the Condominium Board (as hereinafter defined).

ARTICLE 2.

BOARD OF MANAGERS

2.1 Number, Term and Qualification.

2.1.1 As more particularly set forth in 2.2, the affairs of the Condominium shall be governed by a board of managers of the Condominium (the "Condominium Board"). From and after the first annual meeting of Unit Owners as provided in Section 3.1,

the Condominium Board shall consist of three (3) persons elected by the Unit Owners, subject to Declarant's 3.9.3 rights.

2.1.2 Each member of the Condominium Board except for the first Board as provided in Section 2.4 and except as otherwise provided herein, shall be elected at the annual meetings of Unit Owners and shall serve until the next annual meeting thereof and until successors have been elected and qualified. There shall be a 2 term limit on the number of successive terms a Board member may serve.

2.1.3 After the initial Sponsor control period, except for Board members elected or designated by Declarant or its designee a majority of the members of the Condominium Board shall be either Unit Owners or officers, directors, shareholders, partners, principals, members, trustees, employees or beneficiaries of corporations, partnerships, limited liability companies fiduciaries or any other entities which own Units, or family members of any of the foregoing who are owner-occupants. Other than Board members elected or designated by Declarant or its designee no Board member shall continue to serve after such member ceases to be qualified as set forth above. As used herein the term "Permitted Mortgagee" means the holder of any mortgage ("Permitted Mortgage") of a Unit or Units which is permitted to be placed thereon pursuant to these By-Laws.

2.2 Powers and Duties.

2.2.1 The Condominium Board shall have the powers and duties necessary for or incidental to the administration of the affairs of the Condominium (except such powers and duties which by law, the Declaration or these By-Laws may not be delegated to the Condominium Board by the Unit Owners). All determinations with respect to the administration of the affairs of the Condominium, shall be made by the Condominium Board.

2.2.2 Subject to the provisions of Subsection 2.2.1 and without limiting the generality thereof:

2.2.2.1 The Condominium Board shall be entitled to make determinations with respect to the following matters:

2.2.2.1(a) Operating, caring and Maintaining the Common Elements, including contracts for utilities, services and supplies;

2.2.2.1(b) Determining the amount of Common Charges (as hereinafter defined).

2.2.2.1(c) Employing and dismissing the personnel necessary for the Maintenance and operation of the Common Elements.

2.2.2.1(d) Adopting and amending the Rules and Regulations, as they affect the Common Elements.

2.2.2.1(e) Making additions and improvements to, or alterations of, the Common Elements.

2.2.2.1(f) Making repairs and restorations of the Common Elements or parts thereof damaged or destroyed by fire or other casualty or necessitated as a result of condemnation or eminent domain proceedings.

2.2.2.1(g) Enforcing obligations of Unit Owners.

2.2.2.1(h) Levying fines against Unit Owners for violations of any rules and regulations adopted by the Condominium (any such fines shall constitute Common Charges payable by the Unit Owner against which they are levied).

2.2.2.1(i) Opening and maintaining bank accounts on behalf of the Condominium (with respect to matters within its jurisdiction as provided in these By-Laws) and designating signatories therefor.

2.2.2.1(j) Adjusting and settling insurance claims (and executing and delivering releases in connection therewith) if the loss involves Common Elements, as set forth in 6.2.

2.2.2.1(k) Borrowing 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 Common Interest of all Unit Owners shall be required for any borrowings in excess of the aggregate amount of \$100,000 in any one fiscal year (regardless of the balance of any loans outstanding from previous years), and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant interest in the Common Elements without the consent of the owner of such Unit. If any sum borrowed by the Condominium Board pursuant to the authority contained in this subparagraph is not repaid by said Board, a Unit Owner who pays to the creditor such proportion thereof as such Unit Owner's interest in the Common Elements bears to the interest of all the Unit Owners in the Common Elements shall be entitled to obtain from the creditor a release of any judgment or other lien which said creditor has filed or has the right to file against such Unit Owner's Unit.

2.2.2.1(l) Bringing actions on behalf of the Unit Owners, as their interests may appear, with respect to any cause of action relating to the Common Elements, as the Condominium Board deems advisable.

2.2.2.1(m) Organizing corporations or limited liability companies to act as designees of the Condominium Board with respect to such matters as such Board may determine.

2.2.2.1(n) Executing, acknowledging and delivering of (i) any declaration or other instrument affecting the Property which the Condominium Board deems necessary or appropriate to comply with any Law, ordinance, regulation, zoning resolution or requirement of the Department of Buildings, the City Planning Commission, the Board of Standards and Appeals, or any other public authority, applicable to the Maintenance, demolition or construction of the Building, or (ii) any consent, covenant, restriction, easement or declaration affecting the Property which the Condominium Board deems necessary or appropriate.

2.2.2.1(o) Preparing, executing and recording, on behalf of all Unit Owners, as their attorney-in-fact, coupled with an interest, a restatement of the Declaration and/or these By-Laws whenever, in the Condominium Board's estimation, it is advisable to consolidate and restate all amendments, modifications, additions and deletions theretofore made to the Declaration and/or these By-Laws.

2.2.2.1(p) Obtaining and reviewing insurance for the Property pursuant to the provisions of Section 6.2.

2.2.2.1(q) Leasing or purchasing an apartment for use as the residence of the building superintendent, either in the Building or elsewhere (in compliance with applicable Law and regulation) and amending, modifying, extending, renewing, and otherwise dealing in any way with respect to any such apartment.

2.2.2.1(r) Leasing or licensing the Common Elements.

2.2.2.1(s) Imposing move in fees and charges, and transfer fees in connection with the sale or lease of a Unit, provided that no such fees or charges or any other conditions of transfer or lease may be imposed upon the Declarant.

2.2.2.1(t) Reviewing and approving alterations, additions, improvements, renovations and repairs by Unit Owners to their respective Units and the Common Elements and establishing rules and procedures with respect to such alterations, additions, improvements, renovations and repairs.

2.2.2.1(u) Otherwise performing all of the acts to be performed by the Condominium Board in accordance with the terms of the Plan.

2.2.3 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or the owner of Unsold Units continue to own at least 25% of the Units but in no event later than five years from the First Closing of a sale made under the Offering Plan, the Condominium Board may not, without Declarant's prior written approval: (i) make any addition, alteration or improvement to the Common Elements or to any Unit; (ii) increase or decrease the number, or change the kind of employees initially hired for the Condominium; (iii) enter into any service or Maintenance contract for work not covered in the initial projected budget for the Condominium or otherwise provide services in excess of those contemplated by such projected budget, except as is required to reflect normal annual increases in operating services; (iv) borrow money on behalf of the Condominium; (v) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund; or (vi) exercise a right of first refusal to lease or purchase a Unit; provided that Declarant's written consent is not necessary to perform any function or take any action described in items (i) through (vi) above if and only if the performance of such function or the carrying out of such an action is necessary and no other alternative is available to enable the Condominium Board to comply with applicable Laws of any governmental authority having jurisdiction over the Condominium.

2.2.4 Notwithstanding anything to the contrary contained in these By-Laws, so long as Declarant or its designee shall continue to own at least one Unsold Unit, the Condominium Board may not, without the consent of the Declarant, separately assess a Unit Owner for fees for such services (unless such services are separately assessed at the time of the filing of this Declaration).

2.3 Managing Agents and Managers. With respect to matters the determinations concerning which the Condominium Board is entitled to make, the Condominium Board may employ a managing agent and/or a manager at a compensation established by the Condominium Board to perform such duties and services as the Condominium Board shall authorize. The Condominium Board may delegate to such managing agent or manager other powers granted to the Condominium Board by these By-Laws, except the powers set forth in **Subsections 2.2.2.1(b), (e), (g), (h), (l), (m), (n) and (o).**

2.4 First Board. The Condominium Board shall initially consist of one (1) person designated by Declarant to initially comprise the Condominium Board. The various Board members shall be deemed to have been "elected" as members of the Condominium Board for the purposes of these By-Laws. Within one (1) year after the date of the First Closing the Condominium Board will call for the first annual meeting of Unit Owners for the purpose of electing the new Condominium Board in accordance with the provisions of 3.1 of these By-Laws and subject to the rights of Declarant to designate certain members of the Condominium Board as more particularly described in Section 3.9.3 of these By-Laws. The terms of each such member of the Condominium Board shall expire annually.

2.5 Resignation and Removal. A Condominium Board member may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the Condominium Board. Such resignation shall take effect at the time specified therein and,

unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Subject to the provisions of Subsection 3.9.3, the Condominium Board may be removed, with or without cause, by a majority vote of Unit Owners present in person or by proxy at a regular or special meeting of Unit Owners, at which a quorum is present. A Board member whose removal has been proposed shall be given an opportunity to be heard at the meeting. Notwithstanding the above, Board members designated by Declarant or its designee may only be removed with cause and replaced as described in Section 2.6. In addition, any member of the Board who is designated as such by either Declarant or its designee, may be removed by such designating party at any time, with or without cause, and the party making such removal shall have the right to designate the replacement for such member.

2.6 Vacancies. Subject to the provisions of Section 3.9.3, any vacancy on the Condominium Board for whatever reason shall be filled by the members of the Condominium Board then in office, at a special meeting of the Condominium Board held for that purpose promptly after the occurrence of any such vacancy even though the members present at such meeting may constitute less than a quorum, and any person so elected shall be a member of the Condominium Board until the next annual meeting of the Unit Owners when a successor shall be elected for the remainder of the term of the member creating such vacancy. Notwithstanding anything to the contrary contained in these By-Laws, in the case of a vacancy on the Condominium Board, created by the resignation, removal or any other cause which results in any Board member designated by Declarant or its designee, ceasing to be a member of the Condominium Board, Declarant or its designee, as the case may be, shall have the sole right to designate a replacement for such member.

2.7 Organizational Meetings of the Condominium Board. The first meetings of the Condominium Board following each annual meeting of the Unit Owners shall be held immediately following each such annual meeting.

2.8 Regular Meetings of Board. Regular meetings of the Condominium Board may be held at such time and place in the Borough of Manhattan as shall be determined from time to time by a majority of the members thereof, provided that at least four such meetings shall be held during each fiscal year. Notice of regular meetings shall be given to each member thereof, by personal delivery, mail, facsimile or e-mail, at least five business days prior to the day named for such meeting.

2.9 Special Meetings of Board. Special meetings of the Condominium Board may be called by the President or Vice President of the Condominium Board by giving five business days' prior notice to each member of the Condominium Board by personal delivery, mail, facsimile or e-mail, which notice shall state the time, place (in the Borough of Manhattan) and purpose of the meeting. Special meetings of the Condominium Board shall be called in like manner and on like notice on the written request of at least two members of the Condominium Board.

2.10 Meetings of Condominium Board. No organizational or regular meetings of the Condominium Board shall be held unless otherwise required by applicable law in

which event such required meetings shall be held at such time and place in the Borough of Manhattan as shall be determined by the Condominium Board, provided that notice thereof be given to Board members by personal delivery, mail, facsimile or e-mail at least five business days prior to the day named for such meeting. Special meetings of the Condominium Board may be called by the President of the Condominium Board by giving five business days' prior notice to each member of the Condominium Board by personal delivery, mail or telegram, which notice shall state the time, place (which shall be in the Borough of Manhattan) and purpose of the meeting.

2.11 Resolutions of Board. The Condominium Board shall cause to be promptly delivered to the Unit Owners copies of all resolutions adopted by it except to the extent (a) of matters privileged under applicable law, (b) relating to the terms of the sale, leasing or subleasing of any Unit or portion of any Unit, other than the nature of the use thereof, and (c) relating to matters not related to the Property.

2.12 Waiver of Notice. Any Board member may at any time waive notice of any Board meeting in writing and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Condominium Board at any meeting thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members are present at any meeting of the Condominium Board, no notice shall be required and any business may be transacted at such meeting.

2.13 Determinations by Board; Quorums.

2.13.1 Except as otherwise set forth in 2.13.3, all determinations by the Condominium Board shall be made at a meeting of the Condominium Board at which a quorum thereof is present. At any Condominium Board meeting, a majority of the members thereof shall constitute a quorum, and the votes of a majority of such members present shall constitute the decision of the Condominium Board.

2.13.2 If at any Board meeting there is less than a quorum present, a majority of those present may adjourn the meeting from time to time. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

2.13.3 Members of the Condominium Board may participate in a meeting thereof by means of a telephone conference or similar communications equipment by means of which all persons participating in such meeting can hear each other and such participation shall constitute presence at such meeting. Notwithstanding anything to the contrary contained herein, action permitted or required to be taken at a meeting of the Condominium Board may be taken without a meeting if all members of the Condominium Board consent in writing to the adoption of a Resolution authorizing such action and the writing or writings are filed with the minutes of the Condominium Board.

2.14 Compensation. No member of the Condominium Board shall receive any compensation for acting as such.

2.15 Liability of Board and Unit Owners.

2.15.1 To the extent permitted by applicable law, no member of the Condominium Board shall have any personal liability with respect to any contract, act or omission of the Condominium Board or of any managing agent or manager in connection with the affairs or operation of the Condominium or any Common Element (except in their capacities as Unit Owners) and the liability of any Unit Owner with respect thereto shall be limited as hereinafter set forth. Every contract made by the Condominium Board or by any managing agent or manager thereof shall state, if reasonably possible, that it is made by the Condominium Board, managing agent or manager only as agent for all Unit Owners, that such Board members or managing agent or manager shall have no personal liability thereon (except in their capacities as Unit Owners) and shall also state the applicable limitations of liability of Unit Owners provided for in the next sentence. The liability of any Unit Owner with respect to any contract, act or omission with respect to the Condominium or any Common Element shall be limited to such proportionate share of the total liability as the interest of such Unit Owner bears to the aggregate Common Interests of all Unit Owners, and, unless expressly stated to the contrary in such contract (as determined by the relevant Board in its sole and absolute discretion), to the extent permitted by applicable law, shall be limited to such Unit Owner's interest in such Unit Owner's Unit and such Unit Owner's appurtenant Common Interest so that such Unit Owner shall have no personal liability for such contract, act or omission. Nothing in the preceding sentence shall limit a Unit Owner's liability for the payment of Common Charges. Any such contract or agreement may also provide that it covers the assets, if any, of the Condominium Board on whose behalf the contract or agreement is made. Board members shall have no liability to Unit Owners except that a Board member shall be liable for such Unit Owner's own bad faith or willful misconduct. All Unit Owners shall severally, to the extent of their respective interests in their Units and their appurtenant Common Interests, indemnify each Condominium Board member against any liability or claim except those arising out of such member's own bad faith or willful misconduct. The Condominium Board may contract or effect any transaction with the Condominium Board member, any Unit Owner, Declarant, Declarant's designee or any affiliate of any of them without, except in cases of bad faith or willful misconduct, incurring any liability for self-dealing.

2.15.2 Neither the Condominium Board nor any member thereof shall be liable for either (i) any failure or interruption of any utility or other service to be obtained by, or on behalf of, the Condominium Board or to be paid for as a Common Expense, except when any such failure or interruption is caused by the acts of bad faith or willful misconduct of the Condominium Board or any member thereof; or (ii) any injury, loss or damage to any individual or property, occurring in or about either a Unit or any Common Element.

2.16 Fidelity Bonds. After the initial Sponsor Control Period the Condominium Board shall obtain or ensure maintenance of fidelity bonds or insurance, in amounts deemed appropriate by it, for all of its members, officers and employees and for the managing agent or manager, if any, employed by it and the premiums on such bonds or insurance shall constitute Common Expenses.

2.17 Committees. The Condominium Board may, subject to such limitations and exceptions as the Condominium Board may prescribe, appoint an Executive Committee and such other committees as the Condominium Board may deem appropriate, each to consist of as many members as the Condominium Board shall deem appropriate for the purpose of making such reports and studies as each the Condominium Board deems appropriate. For so long as Declarant is entitled to designate members to the Condominium Board, any committee appointed by the Condominium Board shall have at least one member appointed by Declarant.

2.18 Principal Offices of Board. The principal offices of the Condominium Board shall each be located within the Property or at such other place in the Borough of Brooklyn reasonably convenient thereto as may be designated from time to time by the Condominium Board.

2.19 Status of Board. In addition to the status conferred upon the Condominium Board under or pursuant to the provisions of the Condominium Act, the Condominium Board shall, to the extent permitted by applicable Law, be deemed to constitute a separate association for all purposes under and pursuant to the provisions of the General Associations Law of the State of New York. In the event of the incorporation of any of the Condominium Board pursuant to the provisions of 2.20, the provisions of this Section 2.19 shall no longer be applicable to the Condominium Board.

2.20 Incorporation of Board. To the extent and in the manner provided in the Condominium Act the Condominium Board may by action of the Condominium Board as provided in this Article 2, be incorporated under the applicable statutes of the State of New York. In the event that the Condominium Board so incorporates, it shall have, to the extent permitted by applicable law, the status conferred upon it under such statutes in addition to the status conferred upon the Condominium Board under or pursuant to the provisions of the Condominium Act. The certificate of incorporation and by-laws of any such resulting corporation shall conform as closely as practicable to the provisions of the Declaration and these By-Laws and the provisions of the Declaration and these By-Laws shall control in the event of any inconsistency or conflict between the provisions hereof and the provisions of such certificate of incorporation and by-laws.

2.21 Board as Agents of Unit Owners. In exercising its powers and performing its duties under the Declaration and these By-Laws, the Condominium Board shall act in good faith as, and shall be, the agent of the Unit Owners the Condominium Board represents, subject to and in accordance with the provisions of the Declaration and these By-Laws.

ARTICLE 3.

UNIT OWNERS

3.1 Annual Meetings. The first annual meeting of Unit Owners shall be called on or no more than one (1) year after the First Closing. Such meeting shall be held not less than 10 days nor more than 40 days after such date. At such meeting, the incumbent

Condominium Board shall resign and the Unit Owners shall elect (in accordance with the provisions of Section 2.1 and as otherwise provided in these by-laws) a Condominium Board consisting of three (3) members. Thereafter, annual meetings of Unit Owners shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. At such meetings, the incumbent Board members shall resign and the members of the Condominium Board shall be elected and there shall also be transacted such other business as may properly come before such meetings.

3.2 Place of Meetings. Meetings of all or any Unit Owners, shall be held at the principal office of the Condominium or, at such other suitable and convenient place in the Borough of Manhattan, as may be designated by the Condominium Board.

3.3 Special Meetings. The President of the Condominium Board shall call a special meeting of Unit Owners, if so directed by resolution of the Condominium Board or upon a petition signed and presented to the Secretary of the Condominium Board upon not less than 25% in Common Interest of Unit Owners.

3.4 Notice of Meetings and Actions Taken. Notice of each annual or special meeting shall be given by the appropriate Secretary to all Unit Owners of record entitled to vote thereat as of the date of said notice. Each such notice shall state the purposes of the meeting and the time and place where it is to be held and no business shall be transacted thereat except as stated in the notice. All notices hereunder shall be given by personal delivery, regular mail, recognized overnight courier or email, at least ten (10) but no more than thirty (30) business days prior to the day named for the meeting and shall be given or sent to the Unit Owners entitled to receive same at their address at the Property or at such other address at the Property or elsewhere as any Unit Owner has designated by notice in writing to the appropriate Secretary at least ten (10) days prior to the giving of notice of the applicable meeting. However, if the business to be conducted at any meeting of the Unit Owners shall include consideration of a proposed amendment to the Declaration or to these By-Laws, the notice of such meeting shall be given to all Unit Owners as provided above at least thirty (30) days prior to the day fixed for such meeting, and such notice shall be accompanied by a copy of the text of such proposed amendment.

3.5 Adjournment of Meetings. If any meeting of Unit Owners cannot be held because a quorum is not present, a majority of Unit Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time not less than 48 hours from the time fixed for the original meeting.

3.6 Order of Business. The order of business at all meetings of Unit Owners shall be as follows:

- (1) Call to order;
- (2) Roll call;
- (3) Proof of notice of meeting;

- (4) Reading of minutes of preceding meeting;
- (5) Reports of officers;
- (6) Reports of members of the Condominium Board;
- (7) Reports of committees;
- (8) Election of inspectors of election (when so required);
- (9) Election of members of the Condominium Board (when so required);
- (10) Unfinished business;
- (11) New business; and
- (12) Adjournment.

3.7 Title to Units. Title to Units may be taken by any individual, corporation, partnership, association, limited liability company, trust or other entity, or any two or more of such owners as joint tenants, tenants in common or tenants by the entirety, as may be appropriate, but not as owners in severalty.

3.8 Voting.

3.8.1 Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner's behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Condominium Board and shall be revocable at any time by written notice to such Secretary by the Unit Owner so designating; provided, however, that no designation to act as a proxy shall be effective for a period in excess of six months except a designation of a Permitted Mortgagee to act as the proxy of its mortgagor. A fiduciary shall be the voting member with respect to any Unit owned in a fiduciary capacity. Neither the Condominium Board nor its designee shall be entitled to vote the interest appurtenant to any Unit owned by the Condominium Board and the Common Interest of such Unit shall be excluded from the total Common Interests when computing the interest of Unit Owners for voting purposes.

3.8.2 Except as otherwise set forth herein or in the Declaration, at all meetings of Unit Owners, each Unit Owner (or such Unit Owner's proxy) entitled to vote thereat (including Declarant with respect to Units owned by Declarant or its designee) shall be entitled to cast one vote for each .0001% (rounded off to the nearest .0001%) of Common Interest attributable to such Unit Owner's Unit.

3.8.3 Notwithstanding anything to the contrary set forth above, Unit Owners may vote to amend the Declaration and these By-Laws pursuant to Article 20 of the Declaration and Article 13 of these By-Laws, without a meeting, provided that such

Unit Owners receive no less than thirty (30) days notification of such proposed amendment from the Condominium Board, together with a copy of the text of such proposed amendment and a proxy with respect to such vote.

3.9 Election of Board Members; Rights of Declarant.

3.9.1 All elections of Board members shall be determined by plurality vote.

3.9.2 When voting for members of the Condominium Board, the voting shall be by ballot and each ballot shall state the name of the Unit Owner voting and the percentage of Common Interests owned by such Unit Owner, and in addition, the name of the proxy if such ballot is cast by a proxy. Each Unit Owner shall be entitled to cast the number of votes determined in accordance with Section 3.8.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

3.9.3 Notwithstanding any other provision of this Section 3.9 or any other provision of these By-Laws to the contrary, commencing with the first annual meeting of Unit Owners, Declarant shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Declarant has closed title to all of the Unsold Units owned by it. Declarant shall hold a majority of seats on the Condominium Board until 2 of the 4 Residential Units offered for sale have been sold (the "Initial Control Period"). Any vacancy created by removal of a Board member designated by Declarant, or by any other cause which results in a Board member designated by Declarant ceasing to be a member of the Condominium Board, shall be filled by a person designated by Declarant. In addition, for so long as Declarant owns at least one Unsold Units Declarant shall have the right to designate at least one member of the Condominium. For so long as Declarant owns at least one of the Unsold Units the number of members of the Condominium Board may not be increased without the consent of Declarant. Within 10 days after the Initial Control Period, one of the Declarant designated members of the Condominium Board shall resign and in such event a Unit Owner meeting will be held to elect a new board member unrelated to the Declarant within thirty (30) days after the expiration of the Initial Control Period.

3.9.4 Nothing contained herein shall be deemed to limit the right of Declarant to cast its votes for individuals nominated to the Condominium Board who are not nominated or designated by Declarant, which individuals, if elected, shall not be deemed Declarant nominees or designees and shall not be deemed to cause Declarant to control the Condominium Board.

3.9.5 Until Declarant and the owner of any Unsold Units have conveyed title to all Units, the Condominium Board may not take any of the following actions without Declarant's prior written consent: (a) make any addition, alteration or improvement to the Common Elements or to any Unit, or (b) assess any Common Charges for the creation of, addition to or replacement of all or part of a working capital, reserve, contingency or surplus fund, or (c) increase or decrease the number, or change

the kind of, employees referred to in the Plan, or (d) enter into any service or Maintenance contract for work not covered by contracts in existence on the date of the First Closing or otherwise provide services in excess of those referred to in the Plan, except as is required to reflect normal annual increases in operating services, or (e) borrow money on behalf of the Condominium, or (f) exercise a right of first refusal to lease or purchase a Unit; provided, however, that Declarant's written consent is not necessary to perform any function or take any action described in clauses (a) through (f) above, if, and only if, the performance of such function or the carrying out of such an action is necessary (and no other alternative is available) to enable the Condominium Board to comply with Laws of any governmental authority having jurisdiction over the Condominium.

3.10 Majority of Unit Owners. Except as may otherwise be provided by law, as used in these By-Laws, the term "Majority of Unit Owners" means Unit Owners, having more than 50% of the total authorized votes of all Unit Owners, determined in accordance with the provisions of 3.8, who are present in person or by proxy and voting at any meeting at which a quorum is present.

3.11 Quorum. Except as otherwise provided in these By-Laws, the presence in person or by proxy of Unit Owners owning more than 30% of the Common Interests attributable to all Units shall constitute a quorum at all meetings of Unit Owners.

3.12 Majority Vote. Except where otherwise provided by law, the Declaration or these By-Laws, at all meetings of Unit Owners, the affirmative vote of a Majority of Unit Owners shall be binding upon all Unit Owners for all purposes

ARTICLE 4.

OFFICERS

4.1 Designation. The principal officers of the Condominium shall be a President, Vice-President, Secretary and Treasurer. The Condominium Board may appoint an Assistant Treasurer, Assistant Secretary and such other officers as in its judgment may be desirable. None of the officers of the Condominium Board need be Unit Owners or have any interest therein or be Board members until the first organizational meeting of the Condominium Board after the first annual meeting of Unit Owners. Thereafter, the President and Vice President of the Condominium Board must be members of the Condominium Board.

4.2 Election of Officers. The officers of the Condominium Board shall be elected annually by the members of the Condominium Board, at the organizational meetings thereof, except that the initial officers of the Condominium Board shall be elected, by the initial Condominium Board members and shall hold office at the pleasure of the Condominium Board and until their successors are elected.

4.3 Resignation and Removal of Officers. Any officer may resign at any time by written notice delivered or sent by certified mail, return receipt requested, to the

Condominium Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Condominium Board, any officer may be removed, either with or without cause. A successor officer may be elected at any regular Condominium Board meeting or at any special Condominium Board meeting called for such purpose.

4.4 Presidents. The President of the Condominium shall be the chief executive officer of the Condominium and shall preside at all joint meetings of Unit Owners and at all meetings of the Condominium Board. The President shall have all of the general powers and duties which are incident to the office of president of a stock corporation organized under the Business Corporation Law of the State of New York, including, but not limited to, the power to appoint committees from among Unit Owners from time to time as the President decides is appropriate to assist in the conduct of the affairs of the entire Condominium.

4.5 Vice Presidents. The Vice President shall take the place of the President and perform the duties of the President whenever the President shall be absent or unable to act. If both the President and the Vice are unable to act, the Condominium Board shall appoint some member of the Condominium Board to act in the place of the President and Vice President on an interim basis. The Vice President shall also perform such other duties as shall from time to time be imposed upon him by the Condominium Board or by the President.

4.6 Secretaries. The Secretary of the Condominium shall keep the minutes of all meetings of Unit Owners and of the Condominium Board. The Secretary shall have charge of such books and papers as the Condominium Board shall direct and shall in general perform all the duties incident to the office of secretary of a stock corporation organized under the Business Corporation Law of the State of New York.

4.7 Treasurers. The Treasurer shall have the care and custody of the funds and securities of the Condominium and shall be responsible for keeping full and accurate financial records and books of account thereof showing all receipts and disbursements necessary for the preparation of all required financial data. The Treasurer shall be responsible for the deposit of all funds and other securities in the name of the Condominium Board (or in the name of the managing agent appointed by the Condominium Board) in such depositories as may from time to time be designated by the Condominium Board and shall in general perform all of the duties incident to the office of treasurer of a stock corporation organized under the Business Corporation Law of the State of New York.

4.8 Execution of Documents. Unless otherwise delegated by the Condominium Board, all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof or by such other person or persons as may be designated by the Condominium Board. However, any significant expenditure by the Condominium Board must be countersigned by two members of the Condominium Board. If for any reason whatsoever one member refuses to countersign such an

expenditure which has been authorized, the Condominium Board shall designate and authorize another Board member to countersign the expenditure.

4.9 Compensation of Officers. Except as otherwise provided by the Condominium Board, no officer shall receive any compensation for acting as such.

ARTICLE 5.

NOTICES

5.1 Notices. All notices required or desired to be given hereunder to the Condominium Board shall be personally delivered or sent by registered or certified mail to the office of the Condominium Board or to such other address as the Condominium Board may designate from time to time, and if there is a managing agent of the Condominium Board, a duplicate shall be sent in like manner to such managing agent. All notices to any Unit Owner shall, except as otherwise provided herein, be personally delivered or sent by registered or certified mail to the Property address of such Unit Owner or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Condominium Board. All notices to Permitted Mortgagees shall be personally delivered or sent by mail to their respective addresses, as designated by them from time to time, in writing to the Condominium Board. All notices shall be deemed to have been given when personally delivered or mailed in a postage prepaid sealed wrapper, except notices of change of address which shall be deemed to have been given when received.

5.2 Waiver of Service of Notice. Whenever notice is required to be given by Law, the Declaration or these By-Laws, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed the equivalent thereof.

ARTICLE 6.

OPERATION OF THE PROPERTY

6.1 Determination of Common Expenses and Fixing of Common Charges.

6.1.1 Except as otherwise provided herein, the Common Expenses (as hereinafter defined) shall be determined by the Condominium Board as set forth below, and shall be borne by Unit Owners in proportion to their respective Common Interests. Common Expenses shall be defined to include the following: (i) all costs and expenses attributable to the Maintenance and operation of, and any alteration, addition or improvement to, the Common Elements, (ii) all such other items provided for in the Declaration or these By-Laws to be Common Expenses, (iii) such amounts as the Condominium Board may deem proper for a general operating reserve or for a reserve for working capital or for replacements with respect to the Common Elements. The Condominium Board shall from time to time and at least annually prepare a budget to meet Common Expenses and shall allocate and assess to the Unit Owners, pro rata in accordance with their respective Common Interests ("Common Charges"), except as otherwise provided

in the Declaration or these By-Laws. In addition to basing charges on Common Interests, the Condominium Board may also make allocations and assessments of Common Expenses in accordance with submetering, contract allocations and usage (both projected and actual) so long as such allocations are reasonable under the circumstances and are in accordance with applicable provisions of the law. Notwithstanding anything to the contrary in this Section, if a General Common Element or Limited Common Element benefits only certain Unit Owners, then the costs of alteration, addition, repair, replacement and restoration thereto (except in connection with a casualty or condemnation) may be borne solely by those Unit Owners who benefit from the General Common Element or Limited Common Element in the proportion that the Common Interest of each benefiting Unit Owner bears to the Common Interest of all benefiting Unit Owners.

6.1.2 From time to time the Condominium Board may increase or decrease the amount of Common Charges payable for a fiscal year or any portion thereof to meet a revised estimate or determination of Common Expenses for such fiscal year or any portion thereof. During the Condominium's initial two fiscal years but not thereafter, the Condominium Board's authority shall include the right to base the amount of Common Charges on actual costs and expenditures and/or to make retroactive adjustments to the amount of Common Charges payable by Unit Owners for any period to reflect actual operating costs for such period. The Condominium Board shall advise all Unit Owners in writing of the amount of Common Charges payable by each of them and shall furnish copies of each annual budget to all Unit Owners at least ten (10) days prior to the adoption thereof and shall make copies of the budget available to Permitted Mortgagees. In the event that the annual receipts levied against Unit Owners during the first year of Condominium operation commencing on the date of the First Closing exceed the actual expenses less income from sources other than Unit Owners for that period accounted for on an accrual basis by an amount in excess of \$100,000, the receipts from Unit Owners over and above such amount may be rebated to the Unit Owners by the Condominium Board in proportion to each Unit's percentage of Common Interest. Rebates, if any, attributable to Units purchased from Declarant during the first year of Condominium Operation will be distributed by the Condominium Board to Declarant and the Unit Owner(s) in proportion to the amount of time Declarant and each Unit Owner owned such Unit.

6.1.3 The excess of all rents, profits and revenues derived from the rental or use of any space or facility forming part of or included in any Common Element remaining after the deduction of any non-capital expenses paid or incurred in connection therewith shall be collected by the Condominium Board as agent for and on behalf of the Unit Owners. Notwithstanding any provision contained in these By-Laws or in the Declaration to the contrary, in no event shall any rent, profit or revenue derived from the rental or use of any space in the Building be deemed to be derived from the rental or use of any floor slabs, ceilings or walls delineating or enclosing such space or the incidental use of any portion of any Common Elements appurtenant to such space.

6.1.4 Common Expenses shall include real estate taxes on the Property until the Units are separately assessed.

6.1.5 Notwithstanding anything to the contrary herein, no part of the net earnings of the Condominium may inure (other than by acquiring, constructing, or providing management, Maintenance, and care of association property, and other than by a rebate of excess membership dues, fees, or assessments) to the benefit of any Unit Owner or individual.

6.2 Insurance.

6.2.1 The Condominium Board shall be required to obtain and maintain to the extent obtainable the following insurance: (a) property insurance with all risk extended coverage, vandalism and malicious mischief endorsements and increased cost of construction endorsements, insuring the entire Building (other than the Units), together with all service machinery contained therein and covering the interests of the Condominium, the Condominium Board and all Unit Owners and their Permitted Mortgagees, as their respective interests may appear, in an amount equal to the full replacement value of the Building (exclusive of foundation and footings and, at the election of the Condominium Board in its sole and absolute discretion, terrorism insurance), said policies shall contain a New York standard mortgagee clause in favor of each Permitted Mortgagee which shall provide that the loss, if any, thereunder shall be payable to such Permitted Mortgagee as its interest may appear, subject however, to the loss payment provisions hereinafter set forth; (b) rent insurance in an amount equal to Common Charges for one year; (c) worker's compensation and New York State disability benefits insurance; (d) boiler and machinery insurance; (e) plate glass insurance to the extent, if any, determined by the Condominium Board; (f) water damage insurance to the extent, if any, determined by the Condominium Board; (g) elevator liability and collision insurance; (h) fidelity insurance covering the Condominium Board and all officers, directors, managing agents and employees of the Condominium; (i) directors and officers liability insurance; and (j) such other insurance as the Condominium Board may determine. The premiums for all insurance referred to above and for the liability insurance referred to below shall be a Common Expense and shall be borne by the Unit Owners.

6.2.2 All such policies shall provide that adjustment of loss shall be made exclusively by the Condominium Board if the loss involves the Common Elements. Insurance proceeds with respect to any loss shall be payable to the Condominium Board, as aforesaid, except that the proceeds of all policies of physical damage insurance, if in excess of \$1,000,000, shall be payable to a New York City bank or trust company designated by the Condominium Board as Insurance Trustee (as hereinafter defined) pursuant to the provisions of Section 12.5.

6.2.3 All policies of physical damage insurance shall contain, to the extent obtainable, waivers of subrogation and waivers of any defense based on (i) co-insurance, (ii) other insurance, (iii) invalidity arising from any acts of the insured, or (iv) pro rata reduction of liability, and shall provide that such policies may not be canceled or substantially modified without at least ten days' prior written notice to all of the insureds, including all Unit Owners and Permitted Mortgagees. The Condominium Board and all Unit Owners hereby waive their subrogation rights.

6.2.4 Except for Workers Compensation and New York Statutory Disability Insurance coverages, the Condominium Board and the Unit Owners each agree that they shall make no claim for recovery against each other for damages to or loss of the demised premises or improvements and betterments thereon, and injury or damage arising out of operations if such damage injury or loss is covered by valid and collectible insurance protecting the Condominium Board and the Unit Owners and which contains a clause permitting the insured to waive such rights prior to the occurrence of a loss. Such waiver of subrogation shall apply to all stated insurance coverages herein. The Condominium Board and each Unit Owner, by acceptance of a deed for a Unit, shall be deemed to have waived their rights of subrogation.

6.2.5 The Condominium Board shall also be required to obtain and maintain, comprehensive general liability insurance against claims for personal injury, death or property damage occurring upon, in or about the Property, in such limits as such Board may from time to time determine, covering the Condominium Board, the managing agent or agents thereof, each Board member, and each officer and employee of the Condominium, and each Unit Owner, except that such policy will not cover liability of a Unit Owner arising from occurrences within such Unit Owner's own Unit or within the Limited Common Elements, if any, appurtenant to such Unit Owner's Unit. The Condominium Board shall review such limits once each year. The insurance required in accordance with this Subsection shall also cover cross-liability claims of one insured against another.

6.2.6 Any insurance maintained by the Condominium Board may provide for such deductible amounts as the Condominium Board determines.

6.2.7 The Condominium Board is not required to obtain or maintain any insurance with respect to a Unit or any personal property contained in a Unit. A Unit Owner shall, at the Unit Owner's own cost and expense, obtain and keep in full force and effect (a) comprehensive personal liability insurance against any and all claims for personal injury, death or property damage (including, but not limited to, loss due to water damage) occurring in, upon, or from the Unit or any part thereof, with minimum combined single limits of liability of \$300,000 for bodily injury or death arising out of any one occurrence including \$300,000 for damage to property and (b) tenant's "all-risk" property insurance in respect to property damage occurring in, upon, or from the Unit or any part thereof (including, but not limited to appropriate coverage for additions, alterations improvements and betterments and loss due to water damage and personal property). The limits of liability set forth in (a) and (b) above may be increased by the Condominium Board from time to time. The insurance required above shall be written in form reasonably satisfactory to the Condominium Board by good and solvent insurance companies of recognized standing, admitted to do business in the State of New York. Upon ten (10) days' written notice from the Condominium Board or the Managing Agent, the Unit Owner shall deliver to the Condominium Board a duplicate original of the aforesaid policies, certificates evidencing such insurance or such other confirmation satisfactory to the Condominium Board. To the extent a party is insured for loss or damage to property, such party will look to its own insurance policies for recovery. Policies maintained by Unit Owners pursuant to this Subsection must provide that they

cannot be canceled without at least thirty (30) days prior notice to the Condominium Board.

6.3 Repair or Reconstruction after Fire or Other Casualty.

6.3.1 In the event that either (i) the Building or any part thereof (other than the Units) is damaged or destroyed by fire or other casualty ("Casualty Loss") or (ii) the Common Elements and/or Limited Common Expense, or any part thereof is taken in condemnation or by eminent domain ("Taking"), the net insurance proceeds payable under the insurance policies maintained by the Condominium Board pursuant to the terms of Section 6.2 hereof by reason of such Casualty Loss or the net condemnation awards receivable by reason of such Taking, as the case may be, shall be payable either to the Condominium Board, if the same shall be \$1,000,000 or less in the aggregate, or to the Insurance Trustee, if the same shall exceed \$1,000,000 in the aggregate. In either instance, all such monies actually received ("Trust Funds") shall be held in trust for the benefit of all Unit Owners, with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Common Elements and the Units, and for the benefit of all Unit Owner's with respect to the portion thereof allocated to a Casualty Loss to or Taking of the Common Elements, the Limited Common Elements and the Units, and their Permitted Mortgagees and shall be disbursed pursuant to the terms of this Section 6.3. Notwithstanding anything to the contrary contained either in this Subsection 6.3.1 or elsewhere in this Section 6.3, however, no Unit Owner whose Unit, its appurtenant Limited Common Elements, if any, or any portion thereof are taken in condemnation or by eminent domain (whether or not all or a part of the Common Elements are contemporaneously taken) shall be deemed to have waived whatever rights that he/she may have to pursue a separate claim against the condemning authority by reason thereof.

6.3.2 Except as otherwise provided herein, the Condominium Board with respect to the Common Elements and Limited Common Elements shall arrange for the prompt repair or restoration ("Work") of: (i) in the event of a Casualty Loss, the portion(s) of the Building affected by such Casualty Loss or (ii) in the event of a Taking, the portion(s) of the Common Elements affected by such Taking. Damage or destruction to a Unit shall be promptly repaired and reconstructed by the Owner of the affected Unit(s). If, pursuant to the immediately preceding sentences, Work is to be performed in or to Units, Common Elements that service or enclose Units and other Common Elements, or any combination of the foregoing, the Work shall be performed to the extent practicable, first in or to the Units, next in or to the Common Elements that service or enclose Units and then in or to the balance of the Common Elements. If a Unit Owner fails to repair or reconstruct such Unit Owner's Unit, the Condominium Board may cause the Unit to be repaired or reconstructed and the costs incurred in connection therewith shall be charged to the defaulting Unit Owner as a Special Assessment. Notwithstanding anything to the contrary, the Condominium Board shall only be responsible for fixing structural elements of the Limited Common Elements. All other work required or necessary for the Limited Common Elements shall be the responsibility of the Unit Owner and shall be construed herein as the Unit Owner's Unit.

6.3.3 In the event that Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2, the Condominium Board or the Insurance Trustee, as the case may be, shall disburse the Trust Funds to the contractors engaged in the Work in appropriate progress payments. If said damage or destruction by fire or other casualty affects the Building, then any deficit or surplus in insurance proceeds shall be borne or shared by all Unit Owners in proportion to their respective Common Interests in the proportion that the cost of repairing the damage or destruction to the Building, bears to the total cost of repairing all damage or destruction. If said damage or destruction, however, affects only the Common Elements, then any deficit or surplus in insurance proceeds shall be borne as a Common Expense or profit, respectively, as provided in 6.1.1 or shared by all Unit Owners in proportion to their Common Interests. Any surplus payable to any Unit Owner pursuant to this Section 6.3 shall be lessened by such amounts as may be required to reduce unpaid liens (other than mortgages which are not Permitted Mortgages) on any such Unit in the order or priority of such liens.

6.3.4 If 75% or more of the Building is destroyed or substantially damaged by fire or other casualty, the Work shall not be performed unless 75% or more of all Unit Owners (including Declarant, if Declarant shall then own any Units), shall promptly resolve to proceed with the same. In the event that a sufficient number of Unit Owners shall so resolve, the Work shall be performed pursuant to the terms of Subsections 6.3.1 and 6.3.2 hereof. Conversely, in the event that a sufficient number of Unit Owners shall either fail or refuse to so resolve, the Work shall not be performed and the Property shall be subject to an action for partition by any Unit Owner or lienor, as if owned in common, in which event the net proceeds of the resulting sale, together with any Trust Funds, shall be paid to all Unit Owners in proportion to their respective Common Interest, to the extent allocated to destroyed or damaged portions of the Common Elements and to all Unit Owners in proportion to their respective Common Interest, except that no payment shall be made to a Unit Owner until there first has been paid, out of such Unit Owner's share of such funds, such amounts as may be necessary to pay off unpaid liens on the Unit Owner's Unit (other than mortgages that are not Permitted Mortgages) in the order of priority of such liens.

6.3.5 If (i) a portion of any Unit shall be taken in condemnation or by eminent domain and (ii) the Condominium shall not be terminated by reason of a simultaneous Taking pursuant to the terms of Section 6.3.4 hereof, the Common Interest appurtenant to such Unit shall be adjusted in the proportion that the total floor area of such Unit and its appurtenant Limited Common Elements, if any, after such Taking bears to the total floor area of such Unit and its appurtenant Limited Common Elements, if any, prior to such Taking. The Condominium Board shall promptly prepare and record an amendment to the Declaration reflecting the new Common Interest, appurtenant to such Unit, which amendment shall be executed by the owner of such Unit together with the holders of record of any liens thereon (or, in lieu of execution by such Unit Owner and lienors, the same may execute a consent to such amendment in recordable form). Following the Taking of a portion of a Unit and the recording of the aforementioned amendment to the Declaration, the votes appurtenant to such Unit shall be based upon the new Common Interest and, in the event of a Taking of an entire Unit, the right to vote appurtenant to such Unit shall wholly terminate. In either event, the Common Interests of

the other or remaining Units shall be adjusted accordingly and reflected in an amendment to the Declaration duly executed and acknowledged by the Condominium Board and the owners of, together with the holders of record of all liens upon, all of the other or remaining Units.

6.3.6 As used in this Section 6.3, the terms:

(i) "Prompt repair or restoration" shall mean that the Work is to be commenced not more than either: (a) sixty days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds sufficient to discharge the estimated cost and expense of the Work, or (b) ninety days after the date upon which the Insurance Trustee notifies the Condominium Board that it has received Trust Funds insufficient to discharge the estimated cost and expense of the Work, or (c) in the event that the Trust Funds are payable to the Condominium Board pursuant to the terms of Subsection 6.3.1, sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds, whether or not the same are sufficient to discharge the cost and expense of the Work; and

(ii) "Promptly resolve" shall mean that a resolution shall be duly made not more than sixty days after the date upon which the Condominium Board notifies the Unit Owners that it has received the Trust Funds and that the same are or are not sufficient to discharge the estimated cost and expense of the Work, as the case may be.

6.4 Payment of Common Charges.

6.4.1 The Unit Owners shall be obligated to pay to the Condominium Board the Common Charges assessed to them by the Condominium Board pursuant to the provisions of Section 6.1 at such time or times as the Condominium Board determines. Unless otherwise determined by the Condominium Board, Common Charges shall be payable monthly, in advance, on the first day of each month.

6.4.2 No Unit Owner shall be liable for the payment of any part of the Common Charges assessed against such Unit Owner's Unit subsequent to a sale or other conveyance by him (made in accordance with these By-Laws) of such Unit together with its appurtenant Common Interests. Any Unit Owner may, subject to the terms and conditions of these By-Laws and provided that (a) such Unit is free and clear of liens and encumbrances other than Permitted Mortgages and the statutory lien for unpaid Common Charges, and (b) no violation of any provision of the Declaration, these By-Laws or the Rules and Regulations then exists with respect to such Unit, convey for no consideration such Unit together with its appurtenant Common Interests, to the Condominium Board or its designees, corporate or otherwise, and in such event (except as hereinafter set forth), be exempt from Common Charges, thereafter accruing. A purchaser of a Unit shall be liable for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by him of such Unit, except that, to the extent permitted by law, a purchaser of a

Unit at a foreclosure sale of a Permitted Mortgage shall not be liable for, and such Unit shall not be subject to, a lien for the payment of Common Charges accrued and unpaid against such Unit prior to the acquisition by said purchaser of such Unit. However, in the event of a foreclosure sale of a Unit by a Permitted Mortgagee, the owner of such Unit prior to the foreclosure sale shall remain liable for the payment of all unpaid Common Charges which accrued prior to such sale. Except to the extent prohibited by law, the Condominium Board, on behalf of all Unit Owners, shall have a lien on each Unit for unpaid Common Charges, together with interest thereon, assessed against such Unit.

6.4.3 All liens provided for in Subsection 6.4.2, to the extent permitted by applicable Law, shall be subordinate to the lien of any first Permitted Mortgage of record and to liens for real estate taxes on the Unit.

6.4.4 Notwithstanding Subsection 6.4.2, neither the seller nor the purchaser of a Unit shall be liable for, nor shall the Unit be conveyed subject to a lien for, any unpaid Common Charges against such Unit accrued prior to such conveyance in excess of the amount set forth in a written statement from the Condominium Board.

6.4.5 In the event that prior to the Units being separately assessed for real estate tax purposes, the Condominium Board pays real estate taxes on behalf of a Unit Owner, the amount of such real estate taxes shall be deemed to be Common Charges, and such Board shall have a lien (as provided in Subsection 6.4.2) for any such accrued and unpaid amounts.

6.4.6 Unit Owners are required to (a) deposit with the Managing Agent at the closing of title to the Unit, a sum not less than an amount equal to two (2) months Common Charges to be used as working capital to furnish certain services and facilities, and (b) upon written notice by the Managing Agent that the deposit has been diminished, to replenish such fund within a thirty (30) day period. The failure of the Unit Owner to replenish the fund in the time period set forth hereinabove shall result in the Condominium Board, on behalf of the Unit Owners, having a lien against the Unit Owner's Unit. Interest, if any, earned on the fund shall be the property of the Unit Owner.

6.5 Collection of Common Charges. The Condominium Board shall take prompt action to collect any Common Charges due to such Board, which remain unpaid for more than thirty days after the due date for payment thereof.

6.6 Default in Payment of Common Charges and other Obligations.

6.6.1 In the event any Unit Owner fails to make payment of Common Charges or Assessments when due, such Unit Owner shall be obligated to pay (a) a "late charge" equal to the greater of \$150.00 or one (1%) percent of such amounts which remain unpaid for more than ten days from their due date (although nothing herein shall be deemed to extend the period within which such amounts are to be paid), and (b) interest at the rate of 1.5% per month (but in no event in excess of the maximum rate

permitted by Law) on such unpaid amounts computed from the due date, thereof, together with all expenses, including, without limitation, attorneys' fees paid or incurred by the Condominium Board or by any managing agent in any proceeding brought to collect such unpaid Common Charges or in any action to foreclose the lien on such Unit arising from said unpaid Common Charges as provided in Section 339-z of the New York Condominium Act, in the manner provided in Section 339-aa thereof or in any other manner permitted by Law. All such "late charges," interest and expenses shall be added to and shall constitute Common Charges payable by such Unit Owner. Notwithstanding the foregoing, the Condominium Board may establish its own alternate fees for late payments, whether such fees are more or less than the charges set forth herein. In addition the Condominium Board may suspend a Unit Owner's voting rights and privileges for failure to pay any Common Charges or Assessments due.

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

6.7 Foreclosure of Liens for Unpaid Common Charges. In any action brought by the Condominium Board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of such Unit Owner's Unit and the plaintiff in such foreclosure action shall be entitled to the appointment, without notice, of a receiver to collect the same. The Condominium Board, acting on behalf of all Unit Owners, shall have the power to purchase any such Unit or portion thereof at the foreclosure sale thereof and to acquire, hold, lease, mortgage, convey or otherwise deal with such Unit or portion thereof (but not to vote the votes appurtenant to such Unit or portion thereof). A suit to recover a money judgment for unpaid Common Charges shall be maintainable without foreclosing or waiving the lien securing such charges. In the event the net proceeds received on such foreclosure sale (after deduction of all legal fees, advertising costs, brokerage commissions and other costs and expenses incurred in connection therewith) are insufficient to satisfy the defaulting Unit Owner's obligations, such Unit Owner shall remain liable for the deficit.

6.8 Statement of Common Charges. The Condominium Board shall promptly provide any Unit Owner who so requests, with a written statement of all unpaid Common Charges due to it from Unit Owners.

6.9 Maintenance and Repairs.

6.9.1 Except as otherwise provided in the Declaration or these By-Laws, all Maintenance, whether structural or nonstructural, ordinary or extraordinary, (a) in or to any Unit (excluding Common Elements included therein except as otherwise provided in these By-Laws) and the entrance doors thereto shall be made by the owner of such Unit at such Unit Owner's sole cost and expense, or (b) in or to the Common Elements shall be made by the Condominium Board and the cost and expense thereof shall be charged to the Unit Owners as a Common Expense.

6.9.2 Notwithstanding the provisions of Subsection 6.9.1:

6.9.2.1 In the event that any Maintenance to the Property or any part thereof is necessitated by the negligence, misuse or neglect of (a) any Unit Owner or any guest, agent, licensee, tenant or invitee of a Unit Owner, the entire cost thereof shall be borne by such Unit Owner, or (b) the Condominium Board, the entire cost thereof shall be charged to the Unit Owners as a Common Expense, except in all such cases to the extent such cost is covered by the proceeds of any insurance maintained pursuant to the provisions hereof.

6.9.2.2 The interior and exterior glass surfaces of all windows located in any Unit shall not be colored or painted and no neon or colored lights may emanate therefrom and the windows may not be modified, altered or replaced without the consent of the Condominium Board. All normal Maintenance of any Storage area, Yard, Terrace or Balcony shall be made by the Unit Owner having access to such at such Unit Owner's own cost and expense, but any structural or extraordinary repairs or replacements to such Storage area, Yard, Terrace or Balcony (including any leaks which are not caused by the negligence of the Unit Owner having access to the same) shall be made by the Condominium Board and the cost and expense thereof shall be charged to all Unit Owners as a Common Expense. The Condominium Board will have the right to require a Unit Owner to obtain the consent of the Condominium Board prior to installing plantings, surface coverings and other furniture, equipment and installations on the Terraces or Balconies and may require a Unit Owner to remove same, at such Unit Owner's sole cost and expense, if the Condominium Board determines, in their respective discretion, that such plantings, surface coverings, furniture, equipment or other installations adversely affect the integrity of the roofs or adversely affect the appearance of the Building. A Unit Owner will be obligated, at such Unit Owner's sole cost and expense, to remove plantings, surface coverings and other furniture, equipment and installations from the Terrace or Balcony, if requested by the Condominium Board, to facilitate access to the roofing system or other Common Elements pursuant to the Declaration or these By-Laws. No Terrace or Balcony may be enclosed without the express written consent of the Condominium Board. Unit Owners are expressly prohibited from installing paving stones or other materials over the existing surfaces of the Rear Yard, Terrace and/or Balconies without the prior written consent from the Condominium Board. The Condominium Board may establish such other rules and regulations as they deem necessary to protect the Common Elements and the Units and to insure the integrity of the Building and the health and safety of the occupants.

6.9.2.3 The exterior surface of all windows in the Building, if so determined by the Condominium Board, shall be washed and cleaned by the Condominium Board and the cost and expense thereof shall be a Common Expense assessed against each Unit Owner. Otherwise, the exterior of all windows in the Building shall be washed or cleaned at the cost and expense of the Unit Owner. The interior glass surfaces of all windows located in any Unit shall be washed and cleaned by the Unit Owner or occupant thereof at such Unit Owner's sole cost and expense. No Unit Owner or occupant shall clean or permit to be cleaned any window or require, permit or allow it to be cleaned, from the outside, in violation of Section 202 of the Labor Law of the State of New York, or any future Law of like import, or (if applicable) in violation of the rules of the Board of Standards and Appeals of the City of New York or any other governmental authority having jurisdiction over the Land or the Building. Each Unit Owner shall indemnify the Condominium Board and the other Unit Owners, and their respective agents and employees, for all losses, damages, or fines suffered by any of them as a result of a violation of Law.

6.9.2.4 The exterior of all front doors of Units shall not be painted or decorated other than with the consent of the Condominium Board.

6.9.2.5 No awnings, air conditioning equipment, ventilators or other Facilities or equipment will be installed or modified in the Building without prior written approval of the Condominium Board.

6.9.2.6 Any repairs or Maintenance work performed with respect to any air conditioning unit or incremental HVAC units in each Unit shall only be performed by a company or individual previously approved by the Condominium Board.

6.9.3 Each Unit and all portions of the Common Elements shall be kept in first-class condition (and with respect to any Terrace or Balcony, roof or other part of the Property exposed to the elements, free of snow, ice and accumulation of water to the extent same would cause damage to the Building) by the Unit Owner or Board, whichever is responsible for the Maintenance thereof as set forth herein, and such Unit Owner or Board, as the case may be, shall promptly make or perform, or cause to be made or performed, all Maintenance necessary in connection therewith. In addition, the public areas of the Building and those areas exposed to public view shall be kept in good, clean and neat appearance, in conformity with the dignity and character of the Building, by (a) the Condominium Board with respect to such parts of the Building required to be Maintained by it, (b) each Unit Owners with respect to such Unit Owner's Unit and any Limited Common Elements required to be Maintained by the Unit Owner, including, without limitation shades, venetian or other blinds, drapes, curtains or other window decorations in or appurtenant to such Unit Owner's Unit.

6.9.4 Each Unit Owner will be obligated to maintain the appropriate temperature and humidity in such Unit Owner's Unit in order to avoid causing damage to the Common Elements or the Units. In the event a Unit Owner that fails to so maintain the Unit, such Unit Owner may be liable for any damage arising from such failure,

including, without limitation, any claims pertaining to environmental hazards such as mold or other bacterial contamination.

6.10 Violations of Obligations.

6.10.1 In the event that any Unit Owner, within a reasonable time after receipt of written notice from the Condominium Board, fails to perform any of its obligations with respect to the Maintenance of its Unit as provided in this Article 6 or of any Limited Common Element for which such Unit Owner is responsible under the Declaration or these By-Laws, the Condominium Board may, but shall not be obligated to, perform or cause to be performed such Maintenance unless such Unit Owner, within thirty (30) days after receiving notice of such default from the Condominium Board (or sooner in the case of Emergency), cures such default, or in the case of a default not reasonably susceptible to cure within such period, commences and thereafter prosecutes to completion, with due diligence, the curing of such default. All sums expended and all costs and expenses incurred in connection with the making of any such Maintenance by the Condominium Board, together with 10% for overhead and interest thereon at the rate of 2% per month from the date on which such Board first incurs any cost or expense (but in no event in excess of the maximum rate permitted by Law), shall be immediately payable by such Unit Owner to such Board and shall, for all purposes hereunder, constitute Common Charges payable by such Unit Owner.

6.10.2 Each Unit Owner must strictly comply with the provisions of the Declaration, these By-Laws, and the rules and regulations. Failure to comply is grounds for an action for damages or injunctive relief, or both, but such forms of relief will not be exclusive of other remedies provided by Law.

6.11 Alterations, Additions, Improvements and Repairs of Units. Except as otherwise provided in the Declaration, no Unit Owner shall make any alteration, addition, improvement or repair to his/her Unit involving structural work or which impact upon Building systems, in or to such Unit Owner's Unit, without the prior written approval of the Condominium Board. With respect to any alteration, addition, improvement or repair the Condominium Board, may exercise the right to reasonably approve the contractors and suppliers, performing alteration, addition, improvement or repair in any Unit and may, at its option, require the Unit Owner to execute an agreement in form and substance satisfactory to the Condominium Board, setting forth the terms and conditions under which such alteration, addition, improvement or repair may be made, including, without limitation, the days and hours during which any work may be done. The Condominium Board may impose fees upon a Unit Owner to reimburse the Condominium Board for its costs incurred in reviewing or supervising the aforesaid work and providing appropriate security with respect thereto. In addition, the Condominium Board will have the right, as a condition to approving a Unit Owner's request to renovate kitchens and bathrooms, to require such Unit Owner to replace plumbing, steam and gas risers running through or adjacent to the Unit or to contribute to the Condominium, the sum necessary to enable the Condominium to perform such replacements. The foregoing provisions shall not apply to Declarant or its designee or a Permitted Mortgagee (or its designee) of Declarant or its assignee, which shall not be required to (a) obtain the approval of the Condominium

Board for any alteration, addition, improvement or repair, whether structural or non-structural in or to Unsold Units, (b) enter into any alteration agreement with respect thereto or (c) perform any additional work as a condition thereof.

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

6.11.2 Any application to any department of The City of New York or to any other governmental authority having jurisdiction thereof for a permit to make a structural alteration, addition, improvement or repair in or to any Unit so approved by the Condominium Board (if such approval is required) shall, if required by Law or such department or authority, be executed by the Condominium Board, provided that the Condominium Board shall not incur any liability, cost or expense in connection with such application or to any contractor, subcontractor, materialperson, architect or engineer on account of such alteration, addition, improvement or repair or to any person having any claim for injury to person or damage to property arising therefrom. Notwithstanding anything to the contrary set forth above, Declarant or its designee is hereby authorized on behalf of the Condominium Board to execute the Required Documentation required to undertake, perform and complete such work to the Unsold Units and Common Elements as Declarant is entitled to perform in accordance with the terms of the Declaration and these By-Laws (including, without limitation, any certificates as may be required to amend the existing certificate of occupancy to reflect a reconfiguration of the Units and/or a change in use) and to obtain such certificates of completion as may then be required by Law and, the Condominium Board, if requested by Declarant or its designee, shall execute the Required Documentation.

6.11.3 In the event that any alterations, additions, improvements or repairs made by any Unit Owner shall materially delay, prevent or adversely affect, or create a significant risk of materially delaying, preventing or adversely affecting, whether directly or indirectly, the issuance or reissuance of a temporary or permanent certificate of occupancy for other Units or the Building then upon the written request of Declarant or the Condominium Board, the Unit Owner shall restore the Unit, at such Unit Owner's sole cost and expense, to its original condition. If such Unit Owner fails to commence diligently and continuously restoring the Unit within fifteen (15) days of receipt of the written request, then the Declarant or the Condominium Board, as the case may be, requesting such restoration shall be entitled to enter and restore the Unit at the expense of the Unit Owner and to exercise any other remedies provided in these By-Laws.

6.12 Alterations, Additions, Improvements or Repairs to Common Elements. Except as otherwise provided in the Declaration or these By-Laws, all alterations, additions, improvements or repairs in or to (i) any Common Elements or Limited Common Element shall be made by the Condominium Board or Unit Owner(s) required to maintain such Common Element or Limited Common Element and the cost

and expense thereof shall be charged to the Unit Owners as a Common Expense or to the Unit Owner(s) responsible therefor, as the case may be. Whenever in the judgment of the Condominium Board, the cost of any alteration, addition, improvement or repair would exceed \$100,000 in the aggregate in any calendar year (except if such alteration, addition, improvement or repair is provided for in a duly approved budget), then such proposed alteration, addition, improvement or repair shall not be made unless first approved by a Majority of Unit Owners, who shall be required to bear the cost and expense thereof as aforesaid and by the Mortgage Representatives (as hereinafter defined), as the case may be, if any, with respect to alterations, additions, improvements or repairs made by the Condominium Board. Except as otherwise provided in the Declaration or these By-Laws, all such alterations, additions, improvements or repairs costing in the aggregate \$100,000 or less in any calendar year may be made as aforesaid without the approval of the Unit Owners or said Mortgage Representatives.

6.13 Alterations of Certain Common Elements.

6.13.1 In the event that pursuant to any of the provisions of these By-Laws, any consent by the Condominium Board, Mortgage Representative or Unit Owner is required as a condition precedent to any alteration, addition or improvement to any Common Element (sometimes collectively referred to in this Section 6.13 as an "Alteration"), proposed to be made by Declarant or its designee, Unit Owners or the Condominium Board (sometimes collectively referred to herein as the "Proponent"), such consent shall not be unreasonably withheld or delayed by the Condominium Board, Mortgage Representative or Unit Owner (referred to in this Section 6.13 as the "Opposing Party") whose consent is so required. The Proponent shall give to the Opposing Party notice setting forth in reasonable detail the material aspects of such proposed Alteration. If the Opposing Party does not give notice of any objection to the Proponent within 30 days after the Proponent gives its notice, then the Opposing Party shall be deemed to have consented to the making of the proposed Alteration. If the Opposing Party does give notice of objection (which notice of objection shall set forth in reasonable detail the specific objections of the Opposing Party) within such 30-day period and the Proponent considers such objection unreasonable, then the Proponent may submit to Arbitration the question of whether or not the Opposing Party unreasonably withheld its consent. If in such Arbitration it is determined that the Opposing Party unreasonably withheld its consent, the Proponent, as its sole remedy, may make the proposed Alteration. In no event shall any arbitrator in such Arbitration determine that the Opposing Party reasonably withheld its consent to such proposal if (a) the Proponent makes or causes to be made reasonable provisions providing (i) for the costs and expenses of the Alteration to be paid by it, and (ii) that all costs and expenses for Maintaining such Alteration after its completion will not be charged to Unit Owners represented by the Opposing Party as Common Expenses (b) the proposed Alteration would not materially interfere with the use and enjoyment of the owners, tenants and occupants of those Units represented by the Opposing Party; and (c) the proposed Alteration would not materially weaken the structure of the building.

6.13.2 Nothing contained in Subsection 6.13.1 shall in any way be deemed to limit (a) the Proponent's right to modify any proposal made by it thereunder in

such a manner as such Proponent believes will meet the objections of the Opposing Party or of any arbitrator, or (b) any party's right, pursuant to the other applicable provisions of these By-Laws or the Declaration, to make any Alteration to a Common Element without the Opposing Party's approval.

6.14 Restrictions on Use of Units.

6.14.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Unit shall be used for residential purposes only, except as otherwise herein expressly provided. A Unit may be owned by an individual, corporation, partnership, limited liability company, fiduciary, trust or any other entity (including, but not limited to, the United States government and any instrumentality thereof and foreign governments and any embassy, consulate or other instrumentality thereof). A Unit may only be occupied by (i) the individual Unit Owner (or members of such Unit Owner's family, guests or domestic employees), (ii) an officer, director, stockholder or employee of such corporation (or members of such Unit Owner's family, guests or domestic employees), (iii) a partner or employee of such partnership (or members of such Unit Owner's family, guests or domestic employees), (iv) the fiduciary or beneficiary of such fiduciary (or members of such Unit Owner's family, guests or domestic employees), or (v) a principal or employee of such other entity (or members of such Unit Owner's family, guests or domestic employees) as the case may be. Unless otherwise consented to by the Condominium Board, occupants of a leased Unit must be (a) an individual lessee (or members of such Unit Owner's family, guests or domestic employees), (b) an officer, director, stockholder or employee of a corporate lessee (or members of such Unit Owner's family, guests or domestic employees), (c) a partner or employee of a partnership lessee (or members of such Unit Owner's family, guests or domestic employees), (d) a fiduciary or beneficiary of a fiduciary lessee (or members of such Unit Owner's family, guests or domestic employees), or (e) a principal or employee of such other entity which is a lessee (or members of such Unit Owner's family, guests or domestic employees). "Members of such Unit Owner's family" or words of similar import whenever used herein shall be deemed to mean spouse, domestic partner, their children (natural and adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner and nothing contained herein shall be deemed to prohibit the exclusive occupancy of any Unit by such family members or guests. Notwithstanding the foregoing, the Condominium Board may consent to occupancy of a Unit by persons other than those set forth above.

6.14.1.1 The Condominium Board, may, in its discretion, grant permission for the use of a Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate the then existing certificate of occupancy for such Unit, (3) does not adversely affect the use and enjoyment of neighboring or adjacent Units for residential purposes, and (4) complies with all applicable governmental regulations. Such permission by the Condominium Board shall be in writing and shall be personal to the Unit Owner. Any successor in title to such Unit shall be required to obtain the prior written approval of the Condominium Board before using such Unit as a professional office or for any other purpose.

6.14.1.2 The Unit Owner shall ensure that all operable windows opening into the Unit comply with all applicable laws relating to window guards and, if necessary, install, operate and Maintain, at the Unit Owner's expense, any additional equipment required by applicable Law.

6.14.2 Notwithstanding the provisions of Subsection 6.14.1, Declarant or its designee may, without the permission of the Condominium Board, (a) grant permission for the use of any Unsold Unit as a professional office or for any purpose including, without limitation, use as a long or short term rental or other use, provided such use is permitted by Law, does not violate the certificate of occupancy for such Unit (subject to Declarant's right to amend the certificate of occupancy to conform to use as provided in Section 6.14.4 of these By-Laws) and the user of such Unit complies with all applicable governmental regulations with respect to such use, and (b) use any Unsold Units as models and sales and/or promotion offices in connection with the sale or rental of the Units or for any other purpose, subject only to the provisions of the Declaration and these By-Laws and in compliance with applicable Law.

6.14.3 No Unit Owner shall use, store, generate, treat, transport, handle or dispose of within its Unit or elsewhere in the Building any Hazardous Substances, other than ordinary cleaning fluids which are used, stored, generated, treated, transported, handled and disposed of by an Occupant in strict compliance with applicable Law. "Hazardous Substances" means any pollutants, contaminants, toxic or hazardous substances, materials, wastes, constituents, compounds or chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos-containing materials, building construction materials and debris, polychlorinated biphenyls ("PCBs") and PCB-containing equipment, radon and other radioactive elements, ionizing radiation, electromagnetic field radiation and other non-ionizing radiation, infectious, carcinogenic, mutagenic, or etiologic agents, pesticides, defoliants, explosives, flammables, corrosives and urea formaldehyde foam insulation) that are regulated by, or may now or in the future form the basis of liability under, any Law.

6.14.4 Consistent with the foregoing, in the event Declarant or its designee seeks to change an existing use, Declarant and/or its designee shall have the right, from time to time, to amend the certificate of occupancy to reflect such changed usage. In the event required by applicable Law, the Condominium Board shall cooperate with the Declarant or its designee, at the requesting party's expense, execute all applications, authorizations and other instruments reasonably required to enable the Declarant or its designee to amend the certificate of occupancy, provided that the Condominium Board shall not incur any liability, cost or expense in connection with such application or to any person having any claim for injury to person or damage to property arising therefrom. In addition to the foregoing, Declarant or its designee shall have the authority to execute the foregoing on behalf of the Condominium Board, in accordance with Section 6.11.2 of these By-Laws.

6.15 Use of Common Elements.

6.15.1 Common Elements may be used only for the furnishing of the services and facilities and for the other uses for which they are reasonably suited.

6.15.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, public elevators or any other parts of the General or Limited Common Elements other than in (a) Limited Common Elements for the exclusive use of a particular Unit Owner or (b) in the areas designated as storage areas, with the prior consent of the Condominium Board as to the Common Elements. The lobbies, vestibules, public halls, stairways and public elevators shall be used only for normal passage through them.

6.15.3 Unit Owners shall require their tradesperson to utilize exclusively the elevator and entrance designated by the Condominium Board for transporting packages, merchandise or other objects.

6.15.4 Scaffolding necessary for the performance of work to the General Common Elements, Limited Common Elements or any Unit may be erected on the sidewalks adjacent to the Building, however, such scaffolding shall be installed (a) upon at least ten (10) Business Days prior written notice to the Condominium Board (except in the case of an Emergency), (b) after provision of evidence to the Condominium Board that such scaffolding will be erected and Maintained in conformance with all applicable Laws and any insurance requirements imposed by the Condominium, (c) in such a manner so as to minimize interference with access to each Unit and in no event shall prevent access to any Unit, (d) consistent with the general manner in which scaffolding is installed in similar buildings in Manhattan (e) Maintained and removed as expeditiously as possible in a commercially reasonable way. The Condominium Board shall use commercially reasonable efforts to install two story scaffolding.

6.15.5 The owner of any two or more Units, which Units are serviced or benefited by any Common Element adjacent or appurtenant to such Units (for example, that portion at the end of any residential hallway which is directly adjacent to any such Units located on opposite sides of such hallway) shall, to the extent permitted by Law and with the consent of the Condominium Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Common Element as if it were a part of such Units (including the right, in the above example of a portion of a hallway, to enclose such portion) and no amendment to the Declaration nor reallocation of Common Interests shall be made, provided such owner agrees, at its sole cost and expense, to (a) be responsible for the operation and Maintenance of such Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Common Element to its original condition, reasonable wear and tear excepted, after such owner ceases to exercise such exclusive right of use. The owner of any such Units which are Unsold Units shall have the rights set forth in the preceding sentence without the necessity for obtaining the consent of the Condominium Board. Notwithstanding the above, if an owner transfers or conveys its Units to a successor owner, the transferor need

not comply with (b) above provided that the transferee agrees to abide by (a) and (b) above.

6.16 Other Provisions as to Use. No nuisance shall be allowed in the Condominium nor shall any use or practice be allowed in the Condominium which is a source of annoyance to the residents or occupants of the Property or which interferes with the peaceful possession or proper use of the Property by its residents or occupants. No immoral, improper, offensive or unlawful use shall be made of the Condominium or any portion thereof. All valid Laws of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Condominium Board, whoever shall have the obligation to maintain or repair such part of the Property.

6.17 Right of Access.

6.17.1 Each Unit Owner grants a right of access to such Unit Owner's Unit to the Condominium Board, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing. The Unit Owners grant a right of access to their respective Units to the Condominium Board, the managing agents, managers, superintendents and/or any other person authorized by any of the foregoing for the purpose of making inspections of, or for the purpose of removing violations noted or issued by any governmental authority against, the General or Limited Common Elements or any other part of the Property, or for the purpose of curing defaults hereunder or under the Declaration or Rules and Regulations by such Unit Owner or correcting any conditions originating in such Unit Owner's Unit and threatening another Unit or all or any part of the General or Limited Common Elements, or for the purpose of performing installations, alterations or repairs to the mechanical or electrical services or other portions of the General or Limited Common Elements within such Unit Owner's Unit or elsewhere in the Building, or for the purpose of reading, Maintaining or replacing utility meters relating to the General or Limited Common Elements, Unit or any other Unit in the Building or to correct any condition which violates the provisions of any Permitted Mortgage covering another Unit, provided that requests for such entry are made not less than one day in advance and that any such right shall be exercised in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes. In case of an Emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit Owner is present.

6.17.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Condominium Board shall grant rights of access to the General Common Elements and the respective Limited Common Elements to Declarant and its contractors, subcontractors, architects, engineers, agents and employees, for the completion of the Building and any punch list work therein, provided that access thereto shall be exercised upon reasonable notice during reasonable hours in such a manner as will not unreasonably interfere with the use of the Units for their permitted purposes.

6.18 Rules and Regulations. Annexed hereto as Schedule A and made a part hereof are rules and regulations (the "Rules and Regulations") concerning the use of the

Common Elements and Limited Common Elements. The Condominium Board may from time to time, modify, amend or add to the Rules and Regulations except that a Majority of Unit Owners may overrule the Condominium Board with respect to any such modification, amendment or addition. The Condominium Board shall also have the authority to promulgate special rules and regulations concerning the use of storage space, if any, for the personal property of the Unit Owners. Copies of any newly adopted Rules and Regulations, or any modifications, amendments or additions thereto, shall be furnished by the Condominium Board responsible therefor to each affected Unit Owner not less than 30 days prior to the effective date thereof.

6.19 Real Estate Taxes, Water Charges and Sewer Rents. Water and sewer services shall be supplied to and for all of the Units and the Limited Common Elements through one or more building systems by the City of New York or such other utility servicing the Unit. Except to the extent Unit Owners are billed directly by the City Collector, the Condominium Board shall pay all such charges, together with all related sewer rents arising therefrom, promptly after the bills for the same shall have been rendered. The costs incurred by the Condominium Board will be paid by the Unit Owners and included in Common Charges. Until the Units are separately assessed for real estate tax purposes, the Unit Owners shall pay their respective pro rata share of all real estate taxes with respect to the Property (in proportion to the Units' percentage of Common Interest) to the Condominium Board as Common Charges, which will in turn pay such taxes to the proper authorities of The City of New York. In the event that the payments made by Unit Owners are less than or more than the amount of taxes paid for the period in question, Unit Owners will be reimbursed for any overpayment of taxes or assessed for an underpayment. In the event of a proposed sale of any Unit, the Condominium Board, on request of the selling Unit Owner, shall execute and deliver to the purchaser of such Unit or to such purchaser's title insurance company, a letter agreeing to pay all charges for water, sewer rents and real estate taxes (so long as the Board is still collecting and paying such charges) affecting such owner's Unit to the date of the closing of title to such Unit, promptly after such charges have been billed by the proper authorities. The Condominium Board, on behalf of and as agent for all Unit Owners, shall be authorized to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to Units. All Unit Owners shall share the costs in connection therewith and the benefits derived therefrom based on their respective Common Interests. In the event any Unit Owner individually seeks to have the assessed valuation of such Unit Owner's Unit reduced by bringing a separate certiorari proceeding, the Condominium Board, if necessary for such proceeding, shall execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing, such reduction, provided that such Unit Owner indemnifies the Condominium Board from all claims, costs and expenses (including, without limitation, reasonable attorneys' fees) resulting from such proceedings.

6.20 Fuel. Unless and until fuel is billed directly to Unit Owners by the supply company, in accordance with and subject to the provisions of the Plan, the cost and expense of fuel (for heating and providing hot water) serving or benefiting any Unit and/or Common Element shall be: (i) considered part of the expense of Maintaining such Unit and/or Common Element, (ii) determined and paid by the Condominium Board and

(iii) charged as a Common Expense. In the event there is a particular or unique use being made of a Unit and/or Common Element, the Condominium Board shall cause a survey to be made, the cost of which shall be borne by the Unit Owners as a Common Expense.

6.21 **Gas.** Gas will be supplied by the utility company servicing the gas distribution system and charges therefor shall be paid by the Condominium Board. Gas for the Units for cooking is not separately metered for individual Units and therefor all Unit Owners will pay for gas as part of Common Charge payable to the Condominium. The cost of gas consumed in the Condominium will be borne by the Unit Owners as a Common Charge.

6.22 **Electricity.** Electricity for each Unit shall be supplied by the utility company servicing the Units and separately metered for each Unit (or portion thereof). Each Unit Owner shall be required to pay the bills for electricity consumed or used in such Unit Owner's Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to the utility company as directed by the Condominium Board. Electricity for the Common Elements shall be supplied through one or more separate meters therefor and the cost thereof will be paid by the Condominium Board and will be borne by the Unit Owners as Common Charges.

6.23 **Utilities Serving the General Common Elements.** Except as otherwise provided in this Article 6, the cost and expense of water, sewer facilities, fuel, electricity and gas serving or benefiting any Common Element shall be (a) considered part of the expense of maintaining such Common Element, (b) determined by the Condominium Board, and (c) charged to the Unit Owners as a Common Expense..

6.24 **Abatement and Enjoinment of Violations by Unit Owners.**

6.24.1 The violation of any of the Rules and Regulations or the breach of any By-Law contained herein, or the breach of any provision of the Declaration, shall give the Condominium Board, the right, in addition to such other rights set forth in these By-Laws, (i) to enter any Unit or Common Element in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition resulting in such violation or breach and the Condominium Board shall not thereby be deemed guilty or liable in any manner of trespass, or (ii) to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

6.24.2 The violation or breach of any of the provisions of these By-Laws, any of the Rules and Regulations or the Declaration with respect to any rights, easements, privileges or licenses granted to Declarant or its designee shall give to Declarant and its designee the right, in addition to any other rights set forth in these By-Laws or the Declaration, to enjoin, abate or remedy by appropriate legal proceedings, either at law or in equity, the continuance of any such violation or breach.

ARTICLE 7.

MORTGAGES

7.1 Notice to Board. A Unit Owner may mortgage such Unit Owner's Unit. The mortgage secured by a Unit shall be substantially in the form of the New York Board of Title Underwriters or Fannie Mae or such other forms customarily used by lenders making loans secured by individual residential condominium units. Such Unit Owner shall, prior to making such mortgage, satisfy all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages. As used herein the term "Permitted Mortgage" means any first mortgage covering a Unit or Units, the initial holder of which is (i) Declarant or its designee (ii) a savings bank, savings and loan association, bank or trust company, insurance company, real estate investment trust, investment or finance company, mortgage trust or other entity which is in the business of providing loans secured by condominium units, (iii) a federal, state, municipal, teacher's or union employee, welfare, pension or retirement fund or system or (iv) consented to in writing by the Condominium Board prior to the execution of said loan.

7.2 Notice of Default and Unpaid Common Charges. Whenever so requested in writing by a Permitted Mortgagee of any Unit, the Condominium Board with respect to Permitted Mortgagees of Units shall promptly report to such Permitted Mortgagee any default in the payment of Common Charges or any other default by the Unit Owner of such Unit under the provisions of the Declaration or these By-Laws which of which the Condominium Board may have received notice.

7.3 Performance by Permitted Mortgagees. The Condominium Board shall accept, by any Permitted Mortgagee of a Unit Owner, payment of any sum or performance of any act required to be paid or performed by such Unit Owner pursuant to the provisions of the Declaration, these By-Laws or the Rules and Regulations, with the same force and effect as though paid or performed by such Unit Owner. In the event that more than one Permitted Mortgage is secured by a Unit, the senior Permitted Mortgagee shall be entitled to take all actions permitted under this Article unless all the Permitted Mortgagees otherwise designate a different Permitted Mortgagee to so act, by notice to the Condominium Board.

7.4 Examination of Books. Each Unit Owner and Permitted Mortgagee shall be permitted to examine the books of account of the Condominium at reasonable times, on business days, but not more than once a month.

7.5 Representatives of Mortgagees.

7.5.1 In the manner more particularly set forth in Subsection 7.5.2, the holders of Permitted Mortgages (as hereinafter defined) secured by Units, may, at their election, designate one or more (but not more than three) representatives ("Mortgage Representatives") who shall be empowered to act on behalf of all holders of Permitted Mortgages, with respect to any matter requiring their consent or approval under the Declaration or these By-Laws. If any Mortgage Representatives are so designated and

notice thereof is given to the Condominium Board, the act of any such Representative (or a majority of such Representatives if more than one is so designated) shall be deemed binding upon the holders of all Permitted Mortgages.

7.5.2 Any designation of a Mortgage Representative made by the holders of Institutional Mortgages, constituting a majority in principal amount of all Institutional Mortgages shall be binding upon the holders of all Institutional Mortgages. Any such designation of any Mortgage Representative shall remain effective until (a) any subsequent designation thereof is made pursuant to the provisions hereof, and (b) notice of such subsequent designation is given to the Condominium Board. Unless otherwise required by Law, all Permitted Mortgagees other than holders of an Institutional Mortgage, shall have no right to participate in the selection of Mortgage Representatives, but such Permitted Mortgagees shall be subject to all determinations made by such Mortgage Representatives pursuant to the Declaration or these By-Laws.

7.6 Consent of Mortgagees. Except as otherwise expressly provided for herein or in the Declaration, no consent or approval by any mortgagee shall be required with respect to any determination or act of the Condominium Board, officer or Unit Owner; provided, however, that nothing contained herein shall be deemed to limit or affect the rights of any mortgagee against such Unit Owner's mortgagor.

ARTICLE 8.

SELLING, LEASING AND MORTGAGING OF UNITS

8.1 Selling and Leasing. No Unit Owner, other than Declarant or its designee may sell or lease such Unit Owner's Unit except by complying with the following provisions.

8.1.1 Any Unit Owner who receives a bona fide offer to (a) purchase such Unit Owner's Unit together with its appurtenant Common Interest, or (b) lease such Unit Owner's Unit (such offer to purchase or lease a Unit, as the case may be, is called an "Outside Offer," the party making any such Outside Offer is called an "Outside Offeror" and the Unit Owner to whom the Outside Offer is made is called an "Offeree Unit Owner"), which the Offeree Unit Owner intends to accept, shall give notice by certified or registered mail, return receipt requested, to the Condominium Board of the receipt of such Outside Offer. Said notice shall include the name and address of the Outside Offeror, the terms of the proposed transaction (including, but not limited to, the intended closing date in the event of a purchase or intended occupancy date in the event of a lease) and such other information as such Board may reasonably require. The giving of such notice to the Condominium Board, on behalf of all the Unit Owners represented by such Board, together with a copy of the fully executed contract of sale for such Unit, shall constitute an offer by the Offeree Unit Owner to sell such Unit Owner's Unit together with its appurtenant Common Interest or to lease such Unit Owner's Unit to the Condominium Board, or its designee, corporate or otherwise, upon the same terms and conditions as contained in such Outside Offer and shall also constitute a representation and warranty by the Offeree Unit Owner to the Condominium Board acting on behalf of

all Unit Owners that the Offeree 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 Condominium Board may reasonably request. Not later than twenty (20) days after receipt of such notice together with such information as may have been requested, the Condominium Board may elect, by sending written notice to such Offeree Unit Owner before the expiration of said twenty (20) day period, by hand delivery or by certified or registered mail, return receipt requested, to purchase such Unit together with its appurtenant Common Interest 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 represented by the Condominium Board, upon the same terms and conditions as contained in the Outside Offer and as stated in the notice from the Offeree Unit Owner.

8.1.2 In the event the Condominium Board shall timely elect to purchase a Unit together with its appurtenant Common Interest or to lease such Unit or to cause the same to be purchased or leased by its designee, corporate or otherwise, then (a) with respect to a purchase, title shall close at the office of the attorneys for the Condominium Board, in accordance with the terms of the Outside Offer, within 45 days after the giving of notice by the Condominium Board of its election to accept such offer and (b) with respect to a lease, the lease, upon the terms set forth in the Outside Offer, shall be executed and deemed effective on the date the Condominium Board elects to accept such offer. Notwithstanding the foregoing, in the event that the closing date with respect to a purchase or the commencement date of the term of the lease, as the case may be, set forth in the Outside Offer, shall be later than 45 days after the giving of notice by the Condominium Board of its election to accept the aforesaid offer, the Condominium Board shall be required to perform or cause to be performed all of the terms of the Outside Offer (except as otherwise expressly set forth in this Article 8) including, but not limited to, payment of a downpayment or advance rentals and security deposits, as the case may be, and such closing of title or the commencement of the term of the lease shall be the date set forth in the notice to the Condominium Board referred to in 8.1.1 as the intended closing date or commencement date, as the case may be. If pursuant to such Outside Offer, the Outside Offeror was to assume or take title to the Unit subject to the Offeree Unit Owner's existing mortgage or mortgages, the Condominium Board may purchase the Unit and assume or take title to the Unit subject to said existing mortgage or mortgages, as the case may be. At the closing, the Offeree Unit Owner, if such Unit together with its appurtenant Common Interest is to be sold, shall convey the same to the Condominium Board, or to its designee, corporate or otherwise, on behalf of all Unit Owners, by deed in the form required by Section 339-o of the Real Property Law of the State of New York, with all tax and/or documentary stamps affixed at the expense of such Offeree Unit Owner, who shall also pay all other taxes arising out of such sale. Real estate taxes (including water charges and sewer rents if separately assessed), mortgage interest, if any, and Common Charges shall be apportioned between the Offeree Unit Owner and the Condominium Board, 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 Condominium Board, or to its designee, corporate or otherwise, a lease between the Offeree Unit Owner, as landlord, and the Condominium Board, or its

designee, corporate or otherwise, as tenant, covering such Unit, for the rental and term contained in such Outside Offer.

8.1.3 In the event the Condominium Board or its designee shall fail to accept such offer within 20 days after receipt of notice, as aforesaid, the Offeree Unit Owner shall have an additional 60 days to accept the Outside Offer by executing and delivering a contract or lease, as the case may be. In the event the Offeree Unit Owner shall not, within such 60-day period, accept in writing the Outside Offer, or if the Offeree Unit Owner shall accept the Outside Offer within such 60-day period but such sale or lease, as the case may be, shall not be consummated within an additional 60 days following the expiration of such 60-day period, then, should such Offeree Unit Owner thereafter elect to sell such Unit together with its appurtenant Common Interest or to lease such Unit, as the case may be, the Offeree Unit Owner shall be required to again comply with all the terms and provisions of this Section 8.1. Notwithstanding the foregoing, the Condominium Board, in its discretion, may waive the Offeree Unit Owner's obligation to comply with either or both of the 60 day periods described herein or may extend either or both such periods, provided that such waiver or extension shall only be effective if in writing.

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

8.1.5 Any lease executed in connection with the acceptance of any Outside Offer to lease a Unit shall be consistent with these By-Laws and shall provide that it may not be materially modified, amended or extended without the prior consent in writing of the Condominium Board, that the tenant shall not assign such Unit Owner's interest in such lease or sublet the demised premises or any part thereof without the prior consent in writing of the Condominium Board and that the Condominium Board, if permitted by applicable Law, shall have power to terminate such lease and/or to bring summary proceedings to evict the tenant in the name of the landlord thereunder, in the event of (i) a default by the tenant in the performance of its obligations under such lease, or (ii) a foreclosure of the lien granted by Section 339-z of the Real Property Law of the State of New York.

8.1.6 Except as hereinbefore set forth, the form of any such lease executed by the Condominium Board or an Outside Offeror shall be a printed, reasonably applicable form of residential lease which is generally approved by the Condominium Board which governs the Unit to be leased and is accepted in New York City, such as an appropriate Real Estate Board of New York, Inc. or Blumberg form, and shall contain such modifications as shall be approved in writing by the Condominium Board. Any lease executed by the Condominium Board as tenant shall provide that the Condominium Board may enter into a sublease of the premises without the consent of the landlord.

8.1.7 The foregoing restrictions of this Section 8.1 shall not apply to Unsold Units, or Units rented to or by Declarant or its designee (or any condominium

units into which the Units may hereafter be divided). Declarant or its designee shall have the right to freely sell their respective Units, or to freely lease all or any part of the Unsold Units without having to first offer the same for sale or lease to the Condominium Board or pay any fees or costs to the Condominium Board.

8.2 Consent of Unit Owners to Purchase or Lease of Units by Condominium Board. The Condominium Board shall not exercise any option hereinabove set forth to purchase or lease any Unit without the prior approval of a Majority of Unit Owners and subject to the right of the Declarant to veto such purchase or lease in accordance with these By-Laws. However, the Condominium Board shall have the right to release or waive such option without the prior approval of a Majority of Unit Owners.

8.3 No Severance of Ownership. No Unit Owner shall execute any deed, mortgage or other instrument conveying or mortgaging title to such Unit Owner's Unit without including therein its appurtenant Common Interest, it being the intention to prevent any severance of such combined ownership. Any such deed, mortgage or other instrument purporting to affect one or more of such interests without including all such interests shall be deemed and taken to include the interest or interests so omitted even though the latter shall not be expressly mentioned or described therein. No part of the Common Interest appurtenant to any Unit may be sold, conveyed or otherwise disposed of, except as part of a sale, conveyance or other disposition of the Unit to which such interest is appurtenant or as part of a sale, conveyance or other disposition of such part of the appurtenant Common Interests of all Units. Nothing in this Section 8.3 shall permit the lease of any Unit without the simultaneous lease of its appurtenant Common Interest.

8.4 Release by Condominium Board of Right of First Refusal. The right of first refusal contained in 8.1 may be released or waived by the Condominium Board only in the manner provided in Section 8.5. In the event the Condominium Board shall release or waive its right of first refusal as to any Unit, such Unit together with its appurtenant Common Interest may be sold, conveyed or leased, free and clear of the provisions of Subsections 8.1.1 and 8.1.2, provided that such sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3.

8.5 Certificate of Termination of Right of First Refusal. A certificate executed by an officer of the Condominium stating that the provisions of Subsection 8.1.1 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 Condominium Board, and that as a result thereof the rights of the Condominium Board thereunder have terminated (provided that any sale, conveyance or lease occurs within any applicable time periods required pursuant to Subsection 8.1.3), shall be conclusive upon the Condominium Board and the Unit Owners in favor of all persons who rely on such certificate in good faith. The Condominium Board shall furnish such certificate upon request to any Unit Owner with respect to whom the provisions of Subsection 8.1.1 have, in fact, terminated.

8.6 Financing of Purchase of Units by Condominium Board. The purchase of any Unit by the Condominium Board or its designee, on behalf of all Unit Owners, may be made from the funds deposited in the capital and/or expense accounts of the

Condominium Board. If the funds in such accounts are insufficient to effectuate any such purchase, the Condominium Board may levy an assessment against each Unit Owner in proportion to such Unit Owner's respective Common Interest, as a Common Charge, and/or the Condominium Board may, in its discretion, finance the acquisition of such Unit; provided, however, that no such financing may be secured by an encumbrance or hypothecation of any portion of the Property other than the Unit to be purchased together with its (their) appurtenant Common Interest(s).

8.7 Exceptions. The provisions of Section 8.1 shall not apply with respect to any lease, sale or conveyance of any Unit together with its appurtenant Common Interest by (a) the Unit Owner thereof to such Unit Owner's spouse, domestic partner, their children (natural and adopted), stepchildren, grandchildren, siblings, nieces, nephews, parents, stepparents, parents-in-law and grandparents of a Unit Owner or to any one or more of them or to any affiliate of the Unit Owner thereof, (b) Declarant or its designee, (c) the Condominium Board, (d) any proper officer conducting the sale of a Unit in connection with the foreclosure of a mortgage or other lien covering such Unit or delivering a deed in lieu of such foreclosure, or (e) a Permitted Mortgagee or such Unit Owner's nominee, who has acquired title to any Unit at any foreclosure sale of such Unit Owner's Permitted Mortgage or by deed in lieu thereof delivered in a bona fide transaction; provided, however, that each succeeding Unit Owner shall be bound by, and such Unit Owner's Unit subject to, the provisions of this Article 8. The term "affiliate" shall be deemed to be an individual or entity which owns more than 50% of the beneficial interest of such Unit Owner, or an entity with respect to which such Unit Owner owns more than 50% of the legal and beneficial interest. In the event a Unit Owner is not a natural person, the provisions of Section 8.1 shall apply to any lease, sale or conveyance of the beneficial or legal ownership of such Unit Owner to any party which is not an affiliate of the Unit Owner.

8.8 Gifts and Devises, etc. Any Unit Owner shall be free to convey or transfer such Unit Owner's Unit by gift, devise such Unit Owner's Unit by will, or have such Unit Owner's Unit pass by intestacy, without being subject to the restrictions of Section 8.1; provided, however, that each succeeding Unit Owner shall be bound by, and such Unit Owner's Unit shall remain subject to, the provisions of this Article 8.

8.9 Unauthorized Sales or Leases of Units. Any purported sale or lease of a Unit consummated in violation of this Article 8 shall be voidable at the election of the Condominium Board and if the Condominium Board shall so elect, the Unit Owner shall be deemed to have authorized and empowered the Condominium Board to institute legal proceedings to eject the purported purchaser (in case of an unauthorized sale) or to evict the purported tenant (in case of an unauthorized leasing), in the name of the said Unit Owner as the owner or landlord, as the case may be. Said Unit Owner shall reimburse the Condominium Board for all expenses (including attorneys' fees and disbursements) incurred in connection with such proceedings.

8.10 Charges Imposed on Sale or Lease of Units. If permitted by Law, the Condominium Board shall be entitled to fix by resolution and collect, before any sale or lease of a Unit is consummated, a reasonable charge to cover its expenses, and any fees

due the Managing Agent or any attorney retained by the Condominium Board, in connection with the sale or lease. Additionally, the Condominium Board may, by resolution adopt a "flip" tax in connection with such sale in order to create a reserve fund which will provide reserves for the Condominium to use in the future for capital improvements, emergency repairs and working capital. If such charges are adopted, it shall be added to, and constitute a portion of, Common Charges payable by the selling or leasing Unit Owner. The aforementioned charges shall not apply to the lease of a Unit to Declarant or its designee, to the sale or lease of Unsold Units by Declarant or its designee, or to the sale or lease of Unsold Units by a Permitted Mortgagee of Declarant that acquires title to Unsold Units.

8.11 Power of Attorney. At the time of acquiring title to a Unit and as a condition thereof, the new Unit Owner shall duly execute, acknowledge and make arrangements for recording in the City Register's Office, the Power of Attorney required by Article 17 of the Declaration, substantially in the form set forth in Part II of the Plan.

8.12 Notices Concerning Unit Occupancy. Within five (5) days following acquisition of a Unit or the commencement of a lease relating thereto, the new Unit Owner or lessor, as the case may be, shall notify the Managing Agent of the Unit involved, the name of the purchaser or lessee and the names of the individuals, as permitted by the By-Laws, who will be using or occupying the Unit. The individuals so designated may be changed by the purchaser or lessor, from time to time, by further notice to the Managing Agent.

8.13 Waiver of Right of Partition with Respect to Units Acquired on Behalf of Unit Owners as Tenants-in-Common. In the event that any Unit shall be acquired by the Condominium Board, or their respective designees, corporate or otherwise, on behalf of all Unit Owners, as tenants-in-common, all such Unit Owners shall be deemed to have waived all rights of partition with respect to such acquired Unit as herein provided.

8.14 Payment of Assessments. No Unit Owner shall be permitted to convey, mortgage, pledge, hypothecate or lease such Unit Owner's Unit unless and until the Unit Owner shall have paid in full to the Condominium Board all unpaid Common Charges theretofore assessed by the Condominium Board against such Unit and until such Unit Owner shall have satisfied all unpaid liens against such Unit Owner's Unit other than Permitted Mortgages.

8.15 Mortgage of Units. Subject to Article 7 and Section 8.14, each Unit Owner shall have the right to mortgage such Unit Owner's Unit without restriction.

8.16 Lease or Purchase of Unit or Other Apartment for Superintendent's/Resident Manager Residence. The Condominium Board shall have the right to lease or purchase and finance the purchase of a Unit or other apartment for the resident manager's unit (whether or not in the Building) and shall have the right to amend, modify, extend, renew and otherwise deal in any way with respect to any such lease, purchase or financing without the approval of a Majority of Unit Owners.

ARTICLE 9.

CONDEMNATION

In the event of the taking in condemnation or by eminent domain of all or any part of the Common Elements, the Condominium Board, subject to the provisions set forth below, will arrange for the prompt repair and restoration of such part of the Common Elements so taken which, pursuant to the provisions of these By-Laws, are required to be maintained by the Condominium Board. The award made for any such taking shall be payable to the Condominium Board responsible for the repair and restoration thereof, as aforesaid; provided, however, that if any such award exceeds \$1,000,000, such award shall be payable to the Insurance Trustee and shall be disbursed to the contractors engaged in such repair and restoration, if any, in appropriate progress payments. If the net proceeds of any such award are insufficient to cover, or if such net proceeds exceed the cost of any repairs and restorations, the deficit or surplus, as the case may be, will be borne and shared by all Unit Owners with respect to any taking of the Common Elements pro rata, as follows: first, to the Unit Owners in accordance with their respective Common Interests; thereafter, the Condominium Board shall allocate such deficit or surplus, as the case may be, pro rata, in accordance with their respective Common Interests. Notwithstanding any provisions contained herein to the contrary, in the event that 75% or more of all Unit Owners do not duly and promptly resolve to proceed with such repair or restoration of the Condominium, then such repairs or restorations of the Common Elements shall not be made and the net proceeds of any such award with respect thereto shall be divided among the Unit Owners pro rata in accordance with their respective Common Interests, after first paying out of the share of each Unit Owner the amount of any unpaid liens on such Units other than mortgages which are not Permitted Mortgages. As used in this Article 9 the words "promptly resolve" shall mean not more than 60 days from the date of such taking.

ARTICLE 10.

RECORDS AND AUDITS

10.1 Records. The Condominium Board or the managing agent, if any, shall keep detailed records of the actions of the Condominium Board, minutes of the meetings of the Condominium Board, minutes of the meetings of the Unit Owners and financial records and books of account with respect to the activities of the Condominium Board, including a listing of all receipts and expenditures. In addition, the Condominium Board shall keep a separate account for each Unit, which, among other things, shall contain the amount of each assessment of Common Charges made by the Condominium Board against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

10.2 Audits. Within four months after the end of each fiscal year, an annual report of receipts and expenditures prepared and certified by an independent certified public accountant shall be submitted by the Condominium Board to all Unit Owners, and, if so requested, to any Permitted Mortgagee. The cost of such report shall be paid by all Unit Owners as a Common Expense.

10.3 **Availability of Documents.** Copies of the Declaration, these By-Laws, the Rules and Regulations and the Floor Plans, as the same may be amended from time to time, shall be maintained at the office of the Condominium Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE 11.

ARBITRATION

11.1 **General Procedure.** Any arbitration provided for in these By-Laws shall be conducted in accordance with the provisions of this Article 11 (an "Arbitration"). Each Arbitration shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the decision rendered in such Arbitration shall be binding upon the parties and may be entered in any court having jurisdiction. In the event that the American Arbitration Association is not then in existence and has no successor, any arbitration hereunder shall be conducted in New York City before one arbitrator appointed, on application of any party, by any justice of the highest court of appellate jurisdiction located in the County of New York having jurisdiction over the matter. The decision of the arbitrator so chosen shall be given within 10 days after such arbitrator's appointment. Any arbitrator appointed or selected in connection with any Arbitration under this Article 11 shall be a lawyer or real estate owner, developer, or manager familiar with condominium properties and having general legal or real estate experience, as the case may be, of not less than fifteen years.

11.2 **Costs and Expenses.** The fees, costs and expenses of the arbitrator will be borne by the losing party in the Arbitration or, if the position of neither party to the dispute will be substantially upheld by the arbitrator, such fees, costs and expenses will be borne equally by the disputants unless otherwise set by the arbitrator. Each disputant will also bear the fees and expenses of such Unit Owner's 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, will constitute Common Expenses.

11.3 **Agreement by Parties.** The parties to any dispute required or permitted to be submitted to Arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 11.1 with respect to the Arbitration of such dispute, or may agree to resolve their dispute in any other manner, including, without limitation, the manner set forth in Section 3031 of the New York Civil Practice Law and Rules and known as the New York "Simplified Procedure for Court Determination of Disputes - - Action without Pleadings."

ARTICLE 12.

MISCELLANEOUS

12.1 **Waiver.** No provision contained in these By-Laws or the Rules and Regulations shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches which may occur.

12.2 **Captions.** The captions herein are inserted only as a matter of convenience and for reference, and in no way define, limit or describe the scope of these By-Laws nor the intent of any provision hereof.

12.3 **Certain References.**

12.3.1 A reference in these By-Laws to any one gender, masculine, feminine or neuter, includes the other two, and the singular includes the plural, and vice versa, unless the context otherwise requires.

12.3.2 The terms "herein," "hereof" or "hereunder" or similar terms used in these By-Laws refer to these entire By-Laws and not to the particular provision in which the terms are used, unless the context otherwise requires.

12.3.3 Unless otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of these By-Laws.

12.4 **Severability.** Subject to the provisions of the Declaration, if any provision of these By-Laws is invalid or unenforceable as against any person, party or under certain circumstances, the remainder of these By-Laws and the applicability of such provision to other persons, parties or circumstances shall not be affected thereby. Each provision of these By-Laws shall, except as otherwise herein provided, be valid and enforced to the fullest extent permitted by Law. In the event any provision of these By-Laws or the Rules and Regulations conflicts with the provisions of the Declaration, the provisions of the Declaration shall control.

12.5 **Insurance Trustee.** The Insurance Trustee shall be a bank or trust company in The City of New York, designated by the Condominium Board and having a capital surplus and undivided profits of \$500,000,000 or more. In the event the Insurance Trustee resigns or the Condominium Board wishes to replace it, the Condominium Board shall promptly appoint a new Insurance Trustee. The Condominium Board shall pay the fees and disbursements of any Insurance Trustee and such fees and disbursements shall constitute a Common Expense. The Insurance Trustee shall hold all such proceeds in accordance with Section 254(4) of the Real Property Law of the State of New York. If required by Declarant's construction or permanent lender, such lender shall be the Insurance Trustee until its release of all Units from the lien of its mortgage.

12.6 **Successors and Assigns.** Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Declarant or its designee as set forth

herein shall inure to the benefit of and be binding upon any successor or assign of Declarant or its designee or, with the consent of Declarant or its designee, any transferee of some or all of the then Unsold Units then owned by Declarant or its designee, as the case may be. Subject to the foregoing, Declarant and/or its designee, shall have the right, at any time in their sole discretion, to assign or otherwise transfer their respective interests herein, whether by sale, merger, consolidation, lease, assignment or otherwise.

12.7 Covenant of Further Assurances.

12.7.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Condominium Board, or otherwise, shall, upon prior reasonable written request at the expense of any such other party requesting the same, execute, acknowledge and deliver to such other party such instruments, in addition to those specifically provided for herein, and take such other action, as such other party may reasonably request to effectuate the provisions of these By-Laws or of any transaction contemplated herein or to confirm or perfect any right to be created or transferred hereunder or pursuant to any such transaction.

12.7.2 If any Unit Owner or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws, or (ii) to deliver a written notice to the party requesting such execution, acknowledgment or delivery, and to the Condominium Board representing such Unit Owners, stating the reasons why such Unit Owner or other party refuses to execute, acknowledge or deliver such instrument or take such action, then the Condominium Board which represents such Unit Owner, or other party is hereby authorized, as attorney-in-fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

12.7.3 If any Unit Owner, the Condominium Board or other party which is subject to the terms of these By-Laws fails, within ten days after request therefor, either (i) to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the Condominium Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Declarant or its designee, or (ii) to deliver a written notice to Declarant or its designee, as applicable, and to the Condominium Board representing such Unit Owners stating the reasons why such Unit Owner, the Condominium Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Declarant or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, the Condominium Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action, in the name of such Unit Owner, the Condominium Board or other party and such document or action shall be binding on such Unit Owner, the Condominium Board or other party, as the case may be.

ARTICLE 13.

AMENDMENT TO BY-LAWS

13.1 Amendments by Unit Owners. Except as specifically provided herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, or any Unsold Units, any provision of these By-Laws may be added to, amended, modified or deleted by the vote of at least 66-2/3% in number and in Common Interest of all Unit Owners taken in accordance with the provisions of these by-laws, provided, however, that the Common Interest appurtenant to each Unit as expressed in the Declaration shall not be altered without the written consent of all Unit Owners directly affected. Subject to the provisions contained herein or in the Declaration with respect to amendments, modifications, additions or deletions affecting Declarant or its designee, Permitted Mortgagees or any Unsold Units, any such amendment, modification, addition or deletion shall be executed by the Condominium Board, as attorney-in-fact for the Unit Owners, coupled with an interest, which Condominium Board is hereby authorized by such Unit Owners so to act as their attorney-in-fact. Notwithstanding the foregoing and subject to the provisions contained herein or in the Declaration with respect to amendments affecting Declarant or its designee or any Unsold Units, (i) no amendment, modification, addition or deletion pursuant to the provisions of the clause above shall be effective without the written consent (which consent shall not be unreasonably withheld or delayed) of the respective Mortgage Representatives, if any, and (ii) the provisions of this Section 13.1 may not be amended, modified, added to or deleted unless (in addition to the consent, if required, of the Mortgage Representatives, as the case may be), 80% in number and in Common Interest of all Unit Owners affected thereby approve such amendment, modification, deletion or addition in the manner set forth above.

13.2 Amendments Affecting Declarant or its Designee. Notwithstanding any provision contained herein to the contrary, no amendment, modification, addition or deletion of or to these By-Laws, the Declaration or the Rules and Regulations shall be effective in any way (a) without the prior written consent of Declarant or its designee or the owner of any Unsold Unit, as the case may be, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration or the Rules and Regulations modifying the permitted uses of the Building or any portion thereof or affecting the rights, privileges, easements, licenses or exemptions granted to Declarant or its designee or the owner of any Unsold Unit, as the case may be, or otherwise adversely affecting Declarant or its designee or the owner of any Unsold Unit, as the case may be, or (b) without the prior written consent of the holder of any present or future mortgage, pledge, or other lien or security interest covering any Unsold Unit, with respect to any amendment, modification, addition or deletion of or to these by-laws, the Declaration, or the Rules and Regulations modifying the permitted uses of such Unsold Unit, or affecting the rights, privileges, easements, licenses or exemptions granted to the owner of such Unsold Unit. Declarant shall have the right to amend the By-Laws, without the consent of the Condominium Board or any other Unit Owner, to effectuate the rights otherwise granted to Declarant under the terms of the Declaration and these By-Laws.

13.3 Amendments Affecting Permitted Mortgagees. Notwithstanding any provision contained herein to the contrary, no modification, addition, amendment or deletion of or to Article 7 or 6.1, 6.2, 6.4.2, 6.4.3, 8.7(d) or (e), or 8.10 shall be effective as against the holder of any Permitted Mortgage theretofore made unless such holder has given its prior written consent thereto, which consent shall not be unreasonably withheld or delayed.

SCHEDULE A

RULES AND REGULATIONS OF THE CONDOMINIUM

1. The entrances, passages, public halls, elevators, vestibules, corridors and stairways of the Condominium shall not be obstructed or used for any other purpose than ingress to and egress from the Units.
2. No article (including, but not limited to, garbage cans, bottles or mats) shall be placed in any of the passages, public halls, vestibules, corridors, stairways, fire tower landings, or fire escapes of the Condominium, nor shall any fire exit thereof be obstructed in any manner. Nothing shall be hung or shaken from any doors, windows or roofs or placed upon the window sills of the Condominium.
3. Neither occupants nor their guests shall play in the entrances, passages, public halls, vestibules, corridors, stairways, fire towers or fire escapes of the Condominium.
4. No public hall or public vestibule of the Condominium shall be decorated or furnished by any Unit Owner in any manner.
5. Each Unit Owner shall keep such Unit Owner's Unit and any Limited Common Elements appurtenant thereto (including the surface of any Storage area, Terrace or Balcony appurtenant to a Unit) in a good state of preservation and cleanliness, and shall not sweep or throw or permit to be swept or thrown therefrom, or from the doors or windows thereof, any dirt or other substance. The type, size and quantity of plantings and other installations to be placed in the Yards, on Decks, Terraces or Balconies and the rights of Unit Owners to paint and decorate any Decks, Storage areas, Terraces or Balconies shall be subject to the prior written approval of the Condominium Board. Any determination as to what constitutes a good state of preservation and cleanliness for any Unit Owner's Storage area, Yard, Terrace or Balconies shall be within the sole but reasonable discretion of the Condominium Board.
6. No window guards or window decorations shall be used in or about any Unit, unless otherwise required by Law, except such as shall have been approved in writing by the Condominium Board or the managing agent of the Condominium, which approval shall not be unreasonably withheld or delayed.
7. No radio, television aerial, satellite, disk or similar devices shall be attached to or hung from the exterior of the Condominium and no sign, notice, advertisement or illumination shall be inscribed or exposed on or at any door or window or other part of the Condominium except such as are permitted pursuant to the Declaration or the By-Laws or shall have been approved in writing by the Condominium Board or the managing agent of the Condominium, nor shall anything be projected from any door or window of the Condominium without similar approval, except as may otherwise be provided by Law.

8. No heat, ventilator or air conditioning device shall be installed in any Unit without the prior written approval of the Condominium Board, which approval may be granted or refused in the sole discretion of the Condominium Board.
9. All radio, television or other electrical equipment of any kind or nature installed or used in each Unit shall fully comply with all rules, regulations, requirements or recommendations of the New York Board of Fire Underwriters and the public authorities having jurisdiction and the Unit Owner alone shall be liable for any damage or injury caused by any radio, television or other electrical equipment.
10. No velocipedes, bicycles, scooters, baby carriages or similar vehicles shall be allowed to stand in the passages, public halls, vestibules, corridors or other public areas of the Condominium.
11. No Unit Owner or the tenants or occupants of the Units shall make or permit any disturbing noises or activity in the Condominium, or do or permit anything to be done therein, which will interfere with the rights, comfort or convenience of other Unit Owners or the tenants or occupants of the Units. No Unit Owner shall play or suffer to be played any musical instrument, or practice or suffer to be practiced vocal music, or operate or permit to be operated a phonograph, radio, television, computer, stereo or other loud speaker in such Unit Owner's Unit between 11:00 P.M. and the following 7:00 A.M., if the same shall disturb or annoy other occupants of the Building, unless the same shall have the prior written consent of the Condominium Board. No construction or 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 or unless such work is performed by Declarant.
12. No pets other than dogs, caged birds, cats and fish (which do not cause a nuisance, health hazard or unsanitary condition, in the Condominium Board's sole discretion) shall be permitted, kept or harbored in a Unit without the same in each instance having been expressly permitted in writing by the Condominium Board or the managing agent of the Condominium and such consent, if given, shall be revocable by the Condominium Board or such managing agent in their sole discretion, at any time. In no event shall any Unit Owner maintain more than two (2) pets in a Unit without the consent of the Condominium Board nor shall any bird, reptile, or animal be permitted in any public elevator in the Condominium, or in any of the public portions of the Condominium, unless carried or on a leash. No pigeons or other birds or animals shall be fed from the window sills or other public portions of the Condominium or on the sidewalk or street adjacent to the Building. Each Unit Owner who keeps any type of pet in such Unit Owner's Unit may be required to enter into an agreement with the Condominium Board setting forth such other rules regarding pets as the Condominium Board shall deem suitable and indemnifying and holding harmless the Condominium, all Unit Owners and the managing agent from all claims and expenses resulting from acts of such pet.

13. All service and delivery persons may be required to use the service entrance unless otherwise directed. All packages, whenever feasible, will be required to be delivered by outside personnel to the front desk in the lobby where such packages will be held for pick-up by Unit Owners. Deliveries, if made, will be made from the front desk to individual Units only by building personnel or as otherwise directed by building personnel. Such deliveries will be made only at such times as a Unit is occupied by the resident thereof or an authorized person and said resident or authorized person is willing to accept delivery. If the Unit is not so occupied or delivery is declined, the package will be held until the resident or authorized person returns or requests delivery. In the case of packages containing perishable food items, service or delivery persons who are registered with building personnel will be permitted to make deliveries directly to individual Units after such service or delivery persons have received approval for such delivery from the Unit Owner.
14. No refuse from the Units shall be sent to the below grade levels of the Building except at such times and in such manner as the Condominium Board or the managing agent of the Condominium may direct.
15. Water-closets and other water apparatus in the Condominium shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rubbish, rags or any other article be thrown into the same. Any damage resulting from misuse of any water-closets or other apparatus in a Unit shall be repaired and paid for by the Owner of such Unit.
16. No occupant of the Condominium shall send any employee of the Condominium or of the managing agent thereof out of the Building on any private business.
17. The agents of the Condominium Board or the managing agent, and any contractor or worker authorized by the Condominium Board or the managing agent of the Condominium, may enter any room or Unit at any reasonable hour of the day, on at least one day's prior written 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 manner so as not to unreasonably interfere with the use of such Unit for its permitted purposes.
18. Corridor doors shall be kept closed at all times except when in actual use for ingress or egress to and from public corridors.
19. The Condominium Board or the managing agent of the Condominium may retain a passkey to each Unit. If any lock is altered or a new lock is installed, the Condominium Board or the managing agent of the Condominium 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 such Unit Owner's Unit at any time when an entry therein is necessary or permissible under

these Rules and Regulations or under the By-Laws and has not furnished a key to such Board or such managing agent, then the Condominium Board or such managing agent or their agents (but, except in an Emergency, only when specifically authorized by an officer of such Board 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 under the circumstances is given to such Unit Owner's property).

20. No vehicle belonging to a Unit Owner or to a member of the family or guest, tenant or employee of a Unit Owner shall be parked in such manner as to impede or prevent ready access to any entrance to or exit from the Building.
21. Complaints regarding the services of the Condominium shall be made in writing to the Condominium Board or to the managing agent of the Condominium.
22. Any consent or approval given under these Condominium Rules and Regulations may be granted, refused, added to, amended or repealed, in the sole discretion of the Condominium Board, at any time by resolution of the Condominium Board. Further, any such consent or approval may, in the discretion of the Condominium Board, be conditional.
23. Unit Owners will faithfully observe the following procedures with respect to the use of the compactor: (a) wrap dust, floor and powdered waste in compact packages before depositing the same; (b) thoroughly drain and wrap in paper all garbage before depositing the same; (c) refrain from forcing large bundles into the chute; (d) crush into tight bundles all loose papers before placing the same in the hopper door; (e) deposit all bundles of waste into the hopper; (f) refrain from depositing waste of an explosive nature therein; (g) observe all Laws regarding the recycling of refuse then imposed by governmental agencies having jurisdiction thereover and (h) observe any additional recycling rules established by the Condominium Board or the Condominium Board.
24. Except as permitted under the Declaration and By-Laws, Unit Owners, their families, guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of the Building.
25. Unit Owners, their guests, servants, employees, agents, visitors, tenants, sublessees or licensees shall not cause or permit any unusual or objectionable noise or odors to be produced upon or to emanate from their Units or any public portions of the Building.
26. No Unit Owner or any of such Unit Owner's agents, servants, employees, licensees, tenants, sublessees or visitors shall at any time bring into or keep in such Unit Owner's Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except as shall be necessary and appropriate for the permitted uses of such Unit.

27. If any key or keys are entrusted by a Unit Owner or by any member of such Unit Owner's family or by such Unit Owner's agent, servant, employee, tenant, sublessee, licensee or visitor to an employee of the Condominium Board or the managing agent of the Condominium, whether for such Unit Owner's Unit or an automobile, trunk or other item of personal property, the acceptance of the key shall be at the sole risk of such Unit Owner, and neither the Condominium Board nor the managing agent of the Condominium shall be liable for injury, loss or damage of any nature whatsoever, directly or indirectly resulting therefrom or connected therewith.
28. Nothing shall be done or kept in any Unit or in the General or Limited Common Elements which will increase the rate of insurance of the Building or contents thereof without the prior written consent of the Condominium Board. No Unit Owner shall permit anything to be done or kept in such Unit Owner's Unit or in the General or Limited Common Elements which will result in the cancellation of insurance on the Building or which would be in violation of any Law. No waste shall be committed in the General or Limited Common Elements.
29. The Condominium Board shall have the right from time to time to relocate any portion of the Common Elements devoted to storage or service purposes.
30. No group tour or exhibition of any Unit or its contents shall be conducted, nor shall any auction sale be held in any Unit, without the prior consent of the Condominium Board or the managing agent of the Condominium.
31. In the event that any Unit is used for home occupation purposes which are permitted by Law and the By-Laws, in no event shall any patients, clients or other invitees be permitted to wait in any lobby, public hallway or vestibule.
32. Unless expressly authorized by the Condominium Board in each case, at least 80% of the floor area of each Unit (excepting only kitchens, pantries, bathrooms, closets and foyers) must be covered with rugs, carpeting or equally effective noise-reducing material.
33. There will be no barbecuing in the Units, in the Limited Common Elements (including Storage areas, Terraces or Balconies), or the General Common Elements, except for those areas (if any) specifically designated for barbecuing by the Condominium Board.
34. The Condominium Board reserves the right to rescind, alter, waive or add, as to one or more or all occupants, any rule or regulation at any time prescribed for the Condominium when, in the reasonable judgment of the Condominium Board, the Condominium Board deems it necessary or desirable for the reputation, safety, character, security, care, appearance or interests of the Condominium, or the preservation of good order therein, or the operation or Maintenance of the Condominium, or the equipment thereof, or the comfort of Unit Owners, occupants or others in the Condominium. No rescission, alteration, waiver or

addition of any rule or regulation in respect of one Unit Owner or other occupant shall operate as a rescission, alteration or waiver in respect of any other Unit Owner or other occupant.

35. No article, including, but not limited to, bicycles and similar vehicles, shall be stored or allowed to stand on Terraces or Balconies, other than furniture of the kind usually maintained in outdoor areas.

CERTIFICATIONS

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL'S

State of New York Department of Law
120 Broadway - 23rd Floor
New York, New York 10271

Re: THE 539 4TH STREET CONDOMINIUM
539 4TH STREET
BROOKLYN, NY

Gentlemen:

We are the Sponsor and the Principals of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that I/We have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. I/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 the 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 investors, purchasers and participants an adequate basis upon 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 pretended purchase or sales;
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 I/We: a) knew the truth; b) with reasonable effort could have known the truth; c) made no reasonable effort to ascertain the truth, or d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violation are subject to the civil or criminal penalties of the General Business Law and Penal Law.

Very truly yours,

4ST PARK SLOPE DEVELOPMENT LLC

BY: Amit Stern
Amit Stern, Operating Manager

Amit Stern
Amit Stern, Individually

State Of New York)
County of New York)ss.:
)

On the 2nd day of July in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared AMIT STERN 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) acted, executed the instrument.

Thomas J. Calabrese
Notary Public

Thomas J. Calabrese
Notary Public, State Of New York
Qualified In New York County
No. 01CA6141338
My Commission Expires 02-21-2018

CERTIFICATION BY SPONSOR AND SPONSOR'S PRINCIPAL'S

State of New York Department of Law
120 Broadway - 23rd Floor
New York, New York 10271

Re: THE 539 4TH STREET CONDOMINIUM
539 4TH STREET
BROOKLYN, NY

Gentlemen:

We are the Sponsor and the Principals of the Sponsor of the Condominium Offering Plan for the captioned property.

We understand that I/We have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 and such other laws and regulations as may be applicable.

We have read the entire Offering Plan. I/We have investigated the facts set forth in the Offering Plan and the underlying facts.

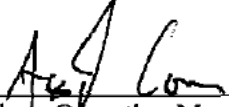
We have exercised due diligence to form a basis for this certification. We jointly and severally certify that the Offering Plan does, and the documents submitted hereafter by us which amend or supplement the Offering Plan, will:

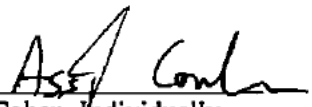
1. Set forth the detailed terms of the transaction and be complete, current and accurate;
2. Afford potential investors, purchasers and participants an adequate basis upon which to found their judgment;
3. Not omit any material fact;
4. Not contain any untrue statement of a material fact;
5. Not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sales;
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 I/We: a) knew the truth; b) with reasonable effort could have known the truth; c) made no reasonable effort to ascertain the truth, or d) did not have knowledge concerning the representation or statement made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violation are subject to the civil or criminal penalties of the General Business Law and Penal Law.

Very truly yours,

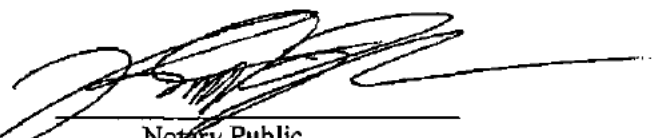
4ST PARK SLOPE DEVELOPMENT LLC

BY: 
Assaf Cohen, Operating Manager


Assaf Cohen, Individually

State Of New York)
)ss.:
County of New York)

On the 27 day of July in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared ASSAF COHEN 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) acted, executed the instrument.



Keith Blackman
Notary Public, State of New York
Qualified In King County
No. 01BL6315614
My Commission Expires 11-24-2018

Notary Public



INFOCUS

Architectural, Structural, Mechanical, Electrical, Plumbing and Fire Protection Consultants
86-16 Queens Blvd. Suite#205, Elmhurst NY 11373
Website: www.infocuspc.com

Phone#: (718) 233-2968
Company Email Address: info@infocuspc.com

New York State
Department of Law
120 Broadway
New York, New York 10271

RE: 539 4th Street Condominium
539 4th Street
Brooklyn, New York

Dear Sir or Madam:

The Sponsor 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 (the "Report"). We examined the building plans and specifications and have prepared the Report dated August 5, 2017, a copy of which is intended to be incorporated into the Offering Plans so that the prospective purchasers may rely on the Report.

I am a professional engineer 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 on October 25, 2017, as 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:

- (1) sets forth in detail in narrative form, the description and/or physical condition of the entire property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;
- (2) in my professional opinion, affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description



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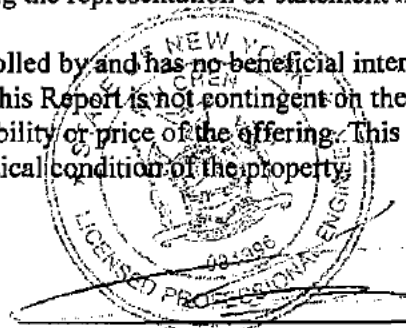
Architectural, Structural, Mechanical, Electrical, Plumbing and Fire Protection Consultants
86-16 Queens Blvd. Suite#205, Elmhurst NY 11373
Website: www.infocuspc.com

Phone#: (718) 233-2968
Company Email Address: info@infocuspc.com

and/or physical condition of the property as it will exist upon completion of construction, provided that construction is in accordance with the plans and specifications that I examined;

- (a) does not omit any material fact;
- (b) does not contain any untrue statement of a material fact;
- (c) does not contain any fraud, deception, concealment, or suppression;
- (d) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (e) does not contain any representation or statement which is false, where I (i) knew the truth; (ii) with reasonable effort could have known the truth; (iii) made no reasonable effort to ascertain the truth, or (iv) did not have knowledge concerning the representation or statement made.

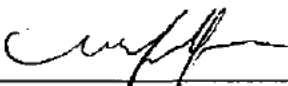
I further certify that my firm is not owned or controlled by and has no beneficial interest in the Sponsor, and that my compensation for preparing this Report is not contingent on the conversion of the property to a condominium or on the profitability or price of the offering. This statement is not intended as a guarantee or warranty of the physical condition of the property.



WU CHEN, PE

State Of New York)
)ss.:
County of Queens)

On the 31st day of October, in the year 2017 before me, the undersigned, a notary public in and for said state, personally appeared WU CHEN 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) acted, executed the instrument.



Notary Public
Notary Public, State of NY
No. 01YA6213318
Qualified in Queens County
Comm. Exp. Nov. 02, 2017

**ALAYNE REAL ESTATE
3004 AVE L
BROOKLYN, NY 11210
718-421-3400
718-421-3456**

November 16, 2017

Real Estate Finance Bureau
New York State Department of Law
120 Broadway - 23rd Floor
New York, New York 10271

Re: The 539 4th Street Condominium
539 4th Street
Brooklyn, NY
Certification of Adequacy of Budget

Ladies and Gentlemen:

The Sponsor of the condominium offering plan for the captioned property retained our firm to review and prepare Schedules B and B-1, containing projections of income and expense for the first year of condominium operation.

Our experience in this field includes: Our firm is a licensed real estate brokerage firm and real estate management company that has been engaged in the real estate business in the New York metropolitan area for over twenty years. We have extensive experience with condominium sales and projects. Since 1990, we have managed five residential rental properties for the last ten years, including representing sponsors as the managing agent.

We understand that we are responsible for complying with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to Schedules B and B-1.

We have reviewed the Schedules and investigated the facts set forth in the Schedules and the facts underlying it with due diligence in order to form a basis for this certification. We also have relied on our experience in managing residential buildings.

We certify that the projections in Schedules 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 for the projected first year of condominium operation.

We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit:

1. set forth in detail the projected common charges payable by the owners of the commercial unit;
2. affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial unit;
3. do not omit any material fact;
4. do not contain any untrue statement of a material fact;
5. do not contain any fraud, deception, concealment, or suppression;
6. do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
7. do not contain any representation or statement which is false, where we:
 - a) knew the truth;
 - b) with reasonable effort could have known the truth;
 - c) made no reasonable effort to ascertain the truth, or
 - d) did not have the knowledge concerning the representation or statement made.

We further certify that we are not owned or controlled by the Sponsor. We understand that a copy of this Certification is intended to be incorporated into the offering plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. We understand that violations are subject to the civil or criminal penalties of the General Business Law and Penal Law.

ALAYNE REAL ESTATE, INC.

By: 
Name: Abraham Davies

Affirmed to before me this 22
day of ~~November~~, 2017.

