

CONDOMINIUM OFFERING PLAN

THE 554 4TH AVENUE CONDOMINIUM

Property Located at:
554 4th Avenue
Brooklyn, New York 11215
Kings County

THE OFFERING PRICE OF:

THE FORTY (40) RESIDENTIAL UNITS IS \$30,136,000.00

FOR A TOTAL INITIAL OFFERING PRICE OF \$30,136,000.00

THE THREE (3) COMMERCIAL UNITS ARE NOT BEING OFFERED FOR SALE AT THIS TIME.

The Condominium will consist of Forty (40) Residential Units, which are being offered for sale pursuant to this offering, and Three (3) Commercial Units which are not being offered for sale at this time.

SPONSOR

4 AVE BU LLC
308 MALCOLM X BLVD
BROOKLYN, NEW YORK 11233

SELLING AGENT

DOUGLAS ELLIMAN REAL ESTATE
575 MADISON AVENUE
NEW YORK, NEW YORK 10022

The Date of Acceptance for Filing is _____. This Plan may not be used after _____, unless extended by amendment.

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

BECAUSE SPONSOR IS RETAINING THE UNCONDITIONAL RIGHT TO RENT RATHER THAN SELL UNITS AFTER THE PLAN HAS BEEN CONSUMMATED, THIS OFFERING PLAN MAY NOT RESULT IN THE CREATION OF A CONDOMINIUM IN WHICH A MAJORITY OF THE UNITS ARE OWNED BY OWNER-OCCUPANTS OR INVESTORS UNRELATED TO THE SPONSOR.

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

THIS PLAN CONTAINS SPECIAL RISKS TO PURCHASERS. SEE PAGE i.

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SPECIAL RISKS

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

1. Sponsor submitted an application to the Department of Law, File Number NA17-0121, requesting a no-action letter (the “No-Action Letter”) permitting Sponsor to transfer Commercial Unit B, and Residential Units 3C and 3D to the seller of former lots 39, 40 and 41 of Block 1046 as shown in the Kings County Tax Map, which lots have since been merged into Lot 37 on which the Condominium will be formed and exist. A copy of the application for the No-Action Letter is available for inspection at the Department of Law, Real Estate Finance Bureau. As of the filed date of this Plan, the No-Action Letter has not yet been issued by the Department of Law. Sponsor shall amend the Plan to disclose any material developments with the application for the No-Action Letter and when the No-Action Letter has been issued by the Department of Law.
2. Sponsor reserves the right to control the Condominium Board of Managers for a period of time until the earlier to occur of (a) one hundred twenty (120) days after the date by which one hundred percent (100%) of the Units have been conveyed to Unit ; or (b) sixty (60) days after the date by which Sponsor has obtained a final certificate of occupancy (“FCO”) for the Building (the “Sponsor Control Period”). However, in no event shall the Sponsor Control Period exceed three (3) years from the date of the First Unit Closing. Sponsor reserves the right to relinquish control of the Board prior to the expiration of the Sponsor Control Period.

Because Sponsor is not limiting conditions under which it will rent rather than sell Units, there is no commitment to sell more than the 15% necessary to declare the plan effective, and owner occupants may never gain effective control and management of the Condominium. Since the By-Laws do not require that a majority of the Board of Managers be owner-occupants who are unrelated to Sponsor after Sponsor relinquishes control of the Board, Purchasers for their own occupancy may never gain control of the Board. Owner-occupants and non-resident owners, such as Sponsor may have inherent conflicts on management of the Condominium.

3. Sponsor is retaining the unconditional right to rent Units in the Building that are being offered under this Plan after the Plan is consummated. Unless this Plan is abandoned, Sponsor will endeavor in good faith to sell fifteen percent (15%) of the Units, but makes no representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Units. For this plan, six (6) Units constitute fifteen percent (15%) of the Units offered. As Sponsor’s right to rent Units is unconditional, more than fifteen percent (15%) of Units may never be sold, and thus, this Offering Plan may not result in the creation of a condominium in which a majority of the units are owned by owner-occupants or investors unrelated to Sponsor. See the CONTROL BY SPONSOR section in Part I of the Plan.
4. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy (“FCO”) covering the entire building but with only a temporary certificate of

occupancy (“TCO”), and sometimes with several successive temporary certificates of occupancy. Certificates of occupancy are generally governed by Section 301 of the New York State Multiple Dwelling Law and local building codes and rules. Both TCOs and FCOs are issued by the New York City Department of Buildings (“DOB”). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for sponsors to commence unit closings when some or all units are covered by a TCO rather than a FCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to the expiration thereof, and ultimately for obtaining a FCO covering the entire Building within two (2) years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that DOB will issue the FCO within such two (2) year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a FCO. A Factsheet on Certificates of Occupancy is available on the DOB website at:

http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF SPONSOR.

5. Purchasers should note that in the current real estate market, banks and other lenders are imposing various restrictions on purchase financing. Such restrictions include requiring that a certain percentage of apartments in a building or group of buildings be sold before a lender will consider making a loan. Thus, it may be possible for a Purchaser to experience difficulty obtaining a loan in a building or group of buildings where the sponsor or holder of unsold shares has not sold a substantial percentage of the apartments in the building or group of buildings, which in some cases may be as high as 70%. Moreover, some lenders will not provide financing in a building or group of buildings where an investor other than the original sponsor has an ownership interest of 10% or more. It also may be difficult for a purchaser to resell an apartment if prospective buyers are unable to obtain a loan due to the same minimum sales and investor ownership restrictions. See CONTROL BY SPONSOR in Part I of the Plan.
6. The unused floor area development rights that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution (the “Development Air Rights”) shall be retained by Sponsor or any entity to whom Sponsor conveys said Development Air Rights for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar and related agreements. Sponsor or

any entity to whom Sponsor conveys Development Air Rights shall have the right to amend the Declaration and any ZLDA that exists pertaining to the Building, in order to convey Development Air Rights (the "Air Rights Amendment"). Sponsor or any entity to whom Sponsor conveys the Development Air Rights shall have the right to complete and file the Air Rights Amendment with the City of New York without the consent of the owners of the Condominium Units or the Board of Managers or any parties in interest to the Common Elements. The owners of the Condominium Units, the Board of Managers and/or any parties in interest to the Common Elements shall be deemed to have consented to the transfer of Development Air Rights as described in the Air Rights Amendment and shall execute any documents evidencing said consent as are reasonably requested by Sponsor. In the event Development Air Rights are transferred to an adjoining premises, the light, air and views from the Building may be negatively impacted. Notwithstanding the foregoing, neither Sponsor nor any entity to whom Sponsor conveys the Development Air Rights may utilize the Development Air Rights to increase the size, height, bulk or density of any portion of the Property. See the INTRODUCTION, RIGHTS AND OBLIGATIONS OF THE SPONSOR and RESERVATION OF AIR AND DEVELOPMENT RIGHTS sections of the Plan in Part I and the DECLARATION in Part II.

7. Prospective Purchasers will be required to execute, in quadruplicate, a Purchase Agreement substantially in the form set forth in Part II of this Plan, and deliver the Purchase Agreement to Sponsor together with a check equal to the sum of ten percent (10%) of the purchase price. All funds received from Purchasers whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by Purchaser to the order of "Marans Weisz & Newman LLC as Escrow Agent." See the section of the Plan entitled PROCEDURE TO PURCHASE and the PURCHASE AGREEMENT in Part II.
8. Prospective Purchasers are advised that all deposits and Down Payments will be held in the escrow account maintained by Marans, Weisz & Newman LLC, as escrow agent (the "Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Purchasers making Down Payments in excess of \$250,000 are advised that FDIC deposit insurance does not cover deposited monies in excess of this amount. Prospective Purchasers are also advised that if Purchasers have an account at the escrow bank, then the Purchaser's account balance factors into the \$250,000 FDIC insurance limit. See the section of the Plan entitled PROCEDURE TO PURCHASE.
9. Sponsor anticipates that the first closing of a unit will occur by March 1, 2018. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than February 28, 2019, twelve (12) months after the projected date for the first closing. If the Plan is amended to provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than twelve (12) months beyond that amended, later date. However, if the first closing occurs before February 28, 2019, Sponsor may schedule the closings of title to other Units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO

WHETHER TO PURCHASE A UNIT. See the section of the Plan entitled PROCEDURE TO PURCHASE.

10. The First Year of Condominium operation is estimated to be March 1, 2018 through February 28, 2019. As in any new construction project, 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 Residential Units. Accordingly, it is a special risk of this Offering Plan that the First Residential Closing may occur sooner or later than the projected First Year of Condominium operation, and closing to certain Residential Units may occur substantially before or after closing for other Residential Units. See the section of the Plan entitled PROCEDURE TO PURCHASE.
11. There are numerous time constraints imposed in the Purchase Agreement set forth in Part II of this Offering Plan. **TIME IS OF THE ESSENCE** as to all such time constraints. This means that if the Purchaser fails to pay all sums due to Sponsor, perform his obligations under the Purchase Agreement, exercise the right to terminate the Agreement pursuant to the limited financing contingency, cure a default, or provide Sponsor with notice of a claim under the Limited Warranty, within the applicable time frame, he may waive substantive rights, or incur a forfeiture of substantial sums of money. Thus, for example, a purchaser who fails to cure a default within thirty (30) days after receipt of written notice of said default, will both have the Contract canceled, and lose his down payment. Purchasers are advised to consult with their attorney concerning all terms of this offering. Please see the section of the Plan entitled PROCEDURE TO PURCHASE in Part I and the PURCHASE AGREEMENT set forth in Part II for a statement of all applicable time limitations.
12. Purchasers who wish to make the Purchase Agreement contingent on financing must make a prompt application to the Sponsor Designated Lender/Broker, First Meridian Mortgage, having an address at 190 North 10th Street, Brooklyn, New York 11211, Tel: 718.906.6156, Attn: Chesky Fuchs, E-mail:cfuchs@fmm.com, within three (3) days of the Purchaser receiving the signed counterpart of the Purchase Agreement from Sponsor. Purchasers shall also: (1) promptly give notice to Sponsor as to the application having been submitted; (2) furnish truthful, accurate and complete information, data and documents on Purchaser as required, and promptly submit such further information, data and documents requested by the Sponsor Designated Lender/Broker; (3) pay all fees, points and charges required in connection with such application and Mortgage Loan; (4) pursue such application with diligence; (5) cooperate in good faith with the Sponsor Designated Lender/Broker to the end of securing the Mortgage Loan; and (6) comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Sponsor with a copy thereof promptly after receipt.

A Purchaser of a Unit shall have thirty (30) days after the receipt of a signed counterpart of the Purchase Agreement from Sponsor to Purchaser or Purchaser's attorney obtain a written commitment from Designated Lender/Broker. If Purchaser does not receive a written commitment from Designated Lender/Broker within said thirty (30) day period, time shall be of the essence with respect to Purchaser's obligation to notify Sponsor, in writing, within ten (10) days, of Purchaser's request to terminate the Purchase Agreement. Sponsor makes no representation as to the availability of such financing. Purchasers are advised that even if they receive a financing commitment, its term may be limited and it may expire prior to the

Unit Closing Date unless extended by Purchaser. If the Commitment is scheduled to expire prior to the Unit Closing Date, it shall be Purchaser's obligation to take all action and make such payments as shall be necessary to extend or otherwise keep the Commitment current. Sponsor shall have no obligation to cause the Unit Closing Date to occur prior to expiration of the Commitment or to take any action or incur any expense to extend the Commitment. Sponsor shall have no liability if the Commitment expires due to Purchaser's actions or inactions or otherwise, and Purchaser shall be obligated to close hereunder if a Commitment expires.

In the event that the Purchaser uses a lender procured other than through the Sponsor Designated Lender/Broker, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's existing mortgage financing lapses or is canceled. Any prospective purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing. See the section of the Plan entitled PROCEDURE TO PURCHASE.

13. Purchaser may not assign the Purchase Agreement without first obtaining the prior written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. Sponsor and its agents will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status or other grounds prohibited by law. Purchaser will be required to pay to Sponsor's attorneys a fee in the amount of \$1,000.00 for each assignment or change permitted by Sponsor. See the section of the Plan entitled PROCEDURE TO PURCHASE.
14. Pursuant to the Geographic Target Order (the "**Order**") issued by the Director of the Financial Crimes Enforcement Network ("**FinCEN**"), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a legal entity as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten Island; (3) the total purchase price is in excess of Three Million Dollars (\$3,000,000.00) in the Borough of Manhattan or the total purchase price is in excess of One Million Five Hundred Thousand Dollars (\$1,500,000.00) for the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier's check, a certified check, a traveler's check, a personal check, a business check, or a money order in any form, or a funds transfer. This affects all residential real property closings meeting the above criteria and occurring on or after September 22, 2017 for so long as the Order remains in effect. A copy of the Order is available here:

<https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20Order%20-%2008.22.17%20Final%20for%20execution%20-%20Generic.pdf>.

See the PROCEDURE TO PURCHASE section in Part I of the Plan.

15. Each Purchaser will be required to pay to Sponsor or Sponsor's attorneys a fee of \$2,000.00 for the Purchaser's Unit which will cover the legal and other fees and expenses of processing the sale of the Unit. If through no fault of Sponsor a Purchaser fails to close on the date fixed by Sponsor for closing of title to Purchaser's Unit, then Purchaser will (a) pay (among other closing costs) a late fee equal to 0.04% times the unpaid balance of the Purchase Price for each day's delay (14.6% per annum), beginning with the date originally scheduled for the closing to and including the day immediately preceding the actual Closing date, (b) reimburse Sponsor for the Unit's Common Charges and real estate taxes during the period of delay and (c) \$250.00 for each adjournment. See the section of the Plan entitled UNIT CLOSING COSTS AND ADJUSTMENTS.
16. Purchasers shall be responsible (as is customary in Condominium offerings) for the payment at closing of all New York City Real Property Transfer Taxes and New York State Real Estate Transfer Taxes. For purposes of calculating the taxes payable, the amounts of such taxes together with any other payments made by a Purchaser with respect to any obligations of Sponsor will be included in the consideration subject to such tax. Purchasers shall also be obligated to pay the so-called "Mansion Tax," currently (as of the filing of this Plan) one percent (1%) of the total consideration paid when such consideration is \$1,000,000.00 or more. Sponsor makes no representation regarding the calculation of the Mansion Tax or of the "consideration" upon which the New York State taxing authorities may base the Mansion Tax and shall have no liability with respect thereto. Purchasers should consult with their own counsel and/or tax advisors. See the Section of the Plan entitled UNIT CLOSING COSTS AND ADJUSTMENTS.
17. Purchasers will be required to pay at Closing an amount equal to two (2) months of common charges as a contribution to the Working Capital Fund. This fund shall be used to pay for items in the budget which will be payable prior to the time that sufficient monthly Common Charges have accrued in the Condominium spending account to pay for these items. See the section of the Plan entitled UNIT CLOSING COSTS AND ADJUSTMENTS in Part I.
18. No bond or other security has been furnished to secure Sponsor's obligations under the Plan, including without limitation those obligations specified in the "RIGHTS AND OBLIGATIONS OF SPONSOR" section hereof.
19. Sponsor is reserving the right to delay the collection of Common Charges until such time into the future. During any such period of delay, the Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any reserve fund payments required by lenders. Such expenses shall not include individual unit owner expenses such as real estate taxes, utility charges, etc. Upon commencement of collection of Common Charges, there will not be an assessment of any item in the approved budget for the Condominium. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to update the budget for the Condominium as required by the Department of Law governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of Common Charges, Sponsor will notify all unit owners by written notice of the expiration of the delay period.

Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent purchasers. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.

20. Each Residential Unit will consist of the area measured horizontally from the exterior face of exterior walls to the exterior face of partitions separating one Unit from Residential Common Elements or General Common Elements, or from the centerline of partitions separating one Unit from another Unit. Each Unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling. Since the area calculations are not based upon measurements from interior surfaces of interior walls, the usable floor area of the Units is significantly less than the area listed in Schedule A. Measurements are approximate and are within reasonable tolerances. See section of the Plan entitled SCHEDULE A in Part I.
21. Limited Common Elements consist of the portions of the Property (other than the Units and the Common Elements) existing for the sole use and enjoyment of certain Unit Owners to the exclusion of all other Unit Owners. e for temporary structures. Each Unit Owner of a Unit to which a Limited Common Element is appurtenant shall be responsible for the cost and performance of all painting, decorating and non-structural ordinary maintenance, repairs, cleaning and replacements to such Limited Common Element. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element, unless the need for such repair or replacement was caused by the negligent act or omission of the Owner of the Unit to which it is appurtenant, shall be allocated to all Unit Owners as a Common Expense. The Board of Managers shall have the right of access in and through these areas for the purpose of doing building maintenance inspections. Notwithstanding anything herein to the contrary, a Unit Owner who wishes to paint, decorate or make any other changes to a Limited Common Element appurtenant to his or her Unit, and which change deviates from the Limited Common Element as it was originally delivered by Sponsor, must first obtain express written permission from the Board of Managers Please see the sections of the Plan entitled DESCRIPTION OF PROPERTY AND IMPROVEMENTS, SCHEDULE A and FOOTNOTES thereto set forth in Part I of the Plan, and the DESCRIPTION OF PROPERTY AND BUILDING CONDITION, FLOOR PLANS, and DECLARATION set forth in Part II.
22. Unit 11B will have swimming pool allocated as a Limited Common Element. The Unit 11B Owner shall be responsible for the cost and performance of all painting, decorating and non-structural ordinary maintenance, repairs, cleaning and replacements to such Limited Common Element. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element, unless the need for such repair or replacement was caused by the negligent act or omission of the Owner of the Unit to which it is appurtenant, shall be allocated to all Unit Owners as a Common Expense. The Board of Managers shall have the right of access in and through these areas for the purpose of doing building maintenance inspections. Notwithstanding anything herein to the contrary, a Unit Owner who wishes to paint, decorate or make any other changes to a Limited Common Element appurtenant to his or her Unit, and which change deviates from the Limited Common Element as it was originally delivered by Sponsor, must first obtain express written permission from the Board of Managers Please see the sections of the Plan entitled

DESCRIPTION OF PROPERTY AND IMPROVEMENTS, SCHEDULE A and FOOTNOTES thereto set forth in Part I of the Plan, and the DESCRIPTION OF PROPERTY AND BUILDING CONDITION, FLOOR PLANS, and DECLARATION set forth in Part II.

23. The Commercial Units occupy the first floor and a portion of the cellar of the Building. It is anticipated that the Commercial Units will be used as retail commercial spaces as permitted by the Certificate of Occupancy. The Commercial Unit is not restricted to retail commercial use and may be used for any purpose permitted by the Certificate of Occupancy covering the building, and by law, including but not limited to any zoning restrictions. The portion of the Commercial Unit located at the cellar floor level may not be used by any Unit Owner as a bedroom, dining room, or for any other use construed as "habitable space" as defined by the New York City Building Code. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility of the Unit Owner to correct and remove. The existence of violations on the building may result in fines, and in Unit Owners, including those not responsible for the violations, being unable to sell or refinance their units. See the COMMERCIAL UNITS section in Part I of the Plan.
24. The Commercial Unit Owner has the right to sub-divide its Unit into any number of small Units provided that the total allocation of common interest of the Units may not be altered by such sub-division, and further provided that all such subdivisions must be in conformity with applicable zoning rules or any variance granted thereof, and the Certificate of Occupancy for the premises or any amendment thereto. The Commercial Unit Owner shall not be required to seek the approval of the Board of Managers of the Condominium unless changes to the Unit would have a material effect on the Residential Unit Owners. See the COMMERCIAL UNITS section in Part I of the Plan, and the DECLARATION set forth in Part II of the Plan.
25. The Commercial Unit Owners will be required to maintain heat supply to the Units on a 24-hour a day basis, so as to not create an undue heating burden on Residential Units within the building. In the event these Unit Owners fail to maintain the heat supply on such a basis, the Condominium Board shall have the power to compel compliance with this requirement. See the COMMERCIAL UNITS section in Part I.
26. Section 339-m of the Real Property Law permits the Board of Managers of a Condominium to specially allocate and apportion common expenses among Residential and Commercial Units based on exclusive use or availability if so authorized by the Declaration and By-Laws. Accordingly, the Condominium Declaration and the By-Laws, set forth in Part II of this Plan, authorizes the Board of Managers to allocate the costs of operating the Condominium among the Residential and Commercial Unit Owners pursuant to the allocations set forth in the Budget for the Condominium's First Year of Operation. See the SCHEDULE B and FOOTNOTES TO SCHEDULE B sections set forth in Part I of the Plan.
27. Purchasers should note that the square footages listed on Schedule A include space designated as Residential Common Elements, including but not limited to the public stairways and elevator shafts. Notwithstanding the foregoing, repairs and maintenance of the Residential Common Elements are the responsibility of the Condominium, and the costs of such repairs and maintenance shall be a common expense to be borne by, and apportioned

among all of the Unit Owners according to their Percentage of Common Interest. In addition, a recreation area located on the Second Floor will be provided as a Common Element. The recreation area will be accessible via the elevator and the interior staircase and corridor of the Building. See the sections of the Plan entitled DESCRIPTION OF PROPERTY AND IMPROVEMENTS, SCHEDULE A and NOTES TO SCHEDULE A in Part I.

28. There are lot line windows located on the east façade of the Building. The Units that will contain a lot line window are Units 5E, 6E, 7E, 8E, 9E, 10C and 11B. Characterization of a window as a lot line window generally means that depending on the proximity and height of improvements on the adjacent property, the lot line window is required by law to be protected against fire occurring in the improvements on adjacent lots in a manner satisfactory to the Department of Buildings. Such fire protection can include sealing the window completely, sprinklering it, using glass block instead of ordinary window glass, or using windows made of steel with wire mesh. Consequently, prospective Purchasers should be aware that in the event that the adjacent property is renovated, reconstructed or enlarged at any time in the future, the lot line windows on these facades of the Building may be required to be in-filled with fire-rated construction. If certain of these windows remain open, they may be required to have sprinkler heads installed and their surrounding walls in-filled with fire-rated construction. The cost of any necessary construction to in-fill the lot line windows shall be a Condominium expense. See the DESCRIPTION OF PROPERTY AND SPECIFICATIONS and FLOOR PLANS in Part II of this Plan.
29. No representation is made that future construction in the neighborhood surrounding the Property will not result in obstruction of the views from any window, portion of the façade or curtain wall, and/or terrace in the Building. See "LOCATION AND AREA INFORMATION" in Part I of this Plan.
30. In the event a Purchaser takes possession of a Unit prior to Closing pursuant to an Interim Lease, upon a non-monetary default by Purchaser under the terms of the Interim Lease which is not cured within 30 days after notice thereof, or immediately after Purchaser exercises any right of rescission with respect to the Purchase Agreement, Purchaser's right to occupy the apartment will terminate, and PURCHASER must vacate the Apartment. Purchaser shall pay to Sponsor \$500.00 per day for each day he remains in possession following the periods set forth above. Notwithstanding the foregoing, Sponsor will not seek or accept release of any portion of a defaulting Purchaser's Deposit until consummation of the Plan. Nothing contained herein shall be construed so as to limit Sponsor's ability to have Purchaser evicted from the premises and to pursue any other legal remedy available to Sponsor, nor shall anything herein be construed as a waiver by the Sponsor of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement. Pursuant to the terms of the Interim Lease, in the event of Purchaser's monetary or non-monetary default under the terms of the Interim Lease, Sponsor may direct the Escrow Agent to pay any use and occupancy fees and/or per diem fees due by Purchaser from Purchaser's Deposit. See the INTERIM LEASE set forth in Part II of the Plan.
31. If a Purchaser takes possession of a Unit prior to closing title, such as through an Interim Lease or by any other means, he or she will assume the risk of loss and the obligation to repair damage not covered by insurance already in place; therefore it is advisable that Purchasers obtain casualty insurance at such time. See the section of the Plan entitled

RIGHTS AND OBLIGATIONS OF THE SPONSOR.

32. If at a Purchaser's request Sponsor grants an adjournment or adjournments of the Closing in excess of five (5) days in the aggregate, Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional Deposit. See the PURCHASE AGREEMENT set forth in Part II of the Plan.
33. The By-Laws do not include a provision limiting the number of Unit Owners who may purchase for investment rather than for personal occupancy, and as a result, there may always be a substantial percentage of Owners who are non-residents. Owner-occupants and non-resident Owners may have inherent conflicts on how the Condominium should be managed because of their different reasons for owning. See the BY-LAWS section in Part II of the Plan.
34. The Condominium Board will have right of access to all roof areas including setback roofs and including any and all private terraces and balconies for necessary inspection, maintenance or repairs. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS in Part I of the Plan, and the Condominium BY-LAWS in Part II of the Plan.
35. To insure that the warranty on the roof of the Building is not violated, and in furtherance of the Board of Managers' right to determine rules applicable to the Common Elements, no Unit Owner may place any objects directly upon the surface of the roofs nor shall any structure be built or placed upon the roofs without the prior written consent of the Board of Managers. Purchasers are advised that additions and improvements or repairs to their Unit, including the Limited Common Elements appurtenant to them, cannot be made without the prior written approval of the Board of Managers. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS.
36. There will be no bond, guarantee or "No Dollar Limit" warranty for the roof of the Building other than a twenty (20) year warranty from the manufacturer of the roof. Notwithstanding the foregoing, this warranty cannot and does not purport to or allow Sponsor to warrant the Units at an level below that prescribed by GBL Article 36-B or as otherwise required by law. Regardless of any limitations in the warranty or in this offering plan, Sponsor shall construct the premises in accordance with all applicable codes and filed plans and specifications, and any conflict between any disclaimers and Sponsor's obligations to construct the premises in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter. See the DESCRIPTION OF PROPERTY AND SPECIFICATIONS set forth in Part II of the Plan.
37. 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 of the Unit, the ability to rent the Unit and/or the rental income therefore, the right to

any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented. Purchaser has relied solely on his or her 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. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans on file in Sponsor's office and filed in the City Register's Office, is accurate or correct, and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this paragraph shall survive the closing of title or the termination of a Purchase Agreement between Sponsor and Purchaser. Notwithstanding the foregoing, Sponsor is obligated to construct the Building and Units in accordance with filed and approved plans with DOB.

38. The Housing Merchant Implied Warranty does not apply to this offering. Any loss or damage caused by or stemming from an accident, catastrophe, unnatural force due to violence or gross negligence, fire, explosion, smoke, motor vehicle, acts of God, lightning, windstorm, hail, flood, earthquake, soil movement, and changes in the underground, water base shall not be covered under the Housing Merchant Implied Warranty (General Business Law Article 36-B). The Housing Merchant Implied Warranty does not apply to this offering. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.
39. Any lawsuit arising out of the Purchase Agreement shall be governed by the laws of the State of New York, shall be brought in Kings County and shall be determined by a judge presiding at a trial without a jury (which the parties waive). See Section of the Plan entitled PROCEDURE TO PURCHASE set forth in Part I of the Plan.
40. Principals of Sponsor have executed the Certification of Sponsor and Principals set forth in Part II of the Plan solely for Martin Act purposes. Consistent with a First Department decision in Board of Managers of 184 Thompson Street Condominium v. 184 Thompson Street Owner LLC, *et.al.*, 2013 N.Y. Slip Op 03574 (1st Dept. May 16, 2013), the principals of Sponsor expressly disclaim the existence of any private right of action for contract claims by individual unit owners (or a board on their behalf) in connection with or arising solely from their execution of the Certification of Sponsor and Principals, absent liability under another statute or under an alter-ego or other veil-piercing theory.
41. Each Unit will have a connection for a washer and ventless dryer located in a laundry closet installed within the Unit. However, the Sponsor will not supply laundry equipment to the Units.
42. Purchasers are advised that all of the Common Elements in the Building may not be available for use at the time of the First Unit Closing. While Sponsor will attempt to provide all Common Elements within a reasonable time, Sponsor reserves the right to complete all Common Elements within twelve (12) months of the First Unit Closing.
43. Only partial HVAC system in commercial spaces will be provided. Purchasers of any of the Commercial Units shall be fully responsible for all work related to heating and air

conditioning, including but not limited to installation, filing, approvals of HVAC system, electrical wiring and fixtures.

44. Certain Common Expenses have been allocated between the Commercial Unit Owners and the Residential Unit Owners based on use in conformity with Section 339-m of the New York State Real Property Law. Disputes between the Commercial Units and the Residential Units, or the Commercial Board Members and the Residential Board Members, pertaining to the allocation of Common Expenses between the Commercial Units and the Residential Units shall be resolved by arbitration under the rules of the American Arbitration Association and in accordance with the Declaration and By-Laws set forth in Part II of the Plan. Each party to such a proceeding shall bear its own costs and expenses in connection with such arbitration, except that the cost of the arbitrator shall be borne by the losing party.
45. Any alterations or changes to the Building or the Units ("Alterations"), other than those changes done by Declarant during the Sponsor Control Period, shall be subject to the restrictions set forth in this Declaration and the By-Laws. All work must be performed pursuant to applicable law, and by licensed and insured contractors. The Commercial Unit Owners shall have the right to veto any proposed Alteration that would have a material and adverse effect on the Commercial Units. The Board shall have the right to object any proposed Alteration that would have a material and adverse effect on the Residential Units or the Residential Common Elements. The Board shall have the right to object any Alteration that materially and adversely affects any structural elements of the Building, any Building systems that serve other Units, or the Common Elements. Any disputes pursuant to Alterations as described herein that cannot be amicably resolved shall be resolved by arbitration as more fully described in the Declaration and By-Laws set forth in Part II of the Plan.
46. Sponsor's Warranties of Construction:
 - (a) Sponsor shall not be obligated to correct or cause to be corrected any latent or patent defects in construction of a Residential Unit or the Common Elements, or in the installation or operation of any mechanical equipment therein. However, in the event correction of a defect is covered under any guaranty or warranty given to Sponsor by the construction consultant, general contractor or construction manager (collectively the "General Contractor") engaged by Sponsor to complete construction of the Building (or by any contractor or subcontractor engaged by the General Contractor or Sponsor), Sponsor may, but shall not be obligated to, apply to the General Contractor to correct the defect. In order for Sponsor to consider bringing the defect to the attention of the General Contractor, Sponsor must be notified in writing (i) by the Unit Owner to whom Sponsor sold a Residential Unit, within three (3) months following the closing of the sale of the Unit to the Unit Owner if the defect concerns that Residential Unit (or if Sponsor permits occupancy of the Unit by a Purchaser under an interim lease, then within three (3) months after the commencement date of the interim lease), or (ii) by the Board of Managers, within the later of six (6) months from (a) the issuance of a TCO covering the entire Building, or (b) the first Residential Unit Closing if the defect concerns the Common Elements. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to consider causing remediation of the problem. In no event, however, shall Sponsor be obligated to compel, or to take action to compel, the General Contractor (or

any contractor or subcontractor) to perform under any guaranty or warranty given by it in connection with work performed at the Property.

- (b) Sponsor shall be deemed to have discharged any commitment it may have made or be deemed to have made with respect to curing defects, if (i) Sponsor is not notified of the defect, or (ii) the Unit Owner, Purchaser or Board, as applicable, prevents Sponsor, Sponsor's contractors, agents or licensees and/or Managing Agent access to the Building and/or the Unit where corrective work has been requested, or (iii) Sponsor shall have corrected or caused to be corrected the defect in accordance with the practice of the industry as said practice is determined by Sponsor's General Contractor or architect or engineer, in its sole discretion.
- (c) Sponsor shall not be responsible for correcting or repairing any defects in construction or defects in the installation or operation of any appliances (including, without limitation, kitchen appliances and washers and dryers), equipment or fixtures with respect to which warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, are delivered and/or assigned to either a Unit Owner or the Board of Managers. Also, Sponsor's undertaking to correct defects as described above, runs only to Unit Owners who have purchased a Unit from Sponsor. It does not run to Owners who purchased Units on resale by other Unit Owners. In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration of from the normal shifting or settling of the Building, or for any defects of insubstantial nature, including but not limited to partial or total death of any landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage, tile, marble and granite grouting, separation in joints of tile, marble, granite or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air filtration from windows, and consequential damage resulting from settlement or normal plumbing, heating and air conditioning, noises, or carpet discoloration and stretching. In addition, Sponsor shall not be responsible for paint touch-ups, or for repair of chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets (if any), cabinets, countertops, vanity tops and bases, doors, mirrors, hardware, flooring or appliance cabinets, unless notified of any such defect therein prior to closing of title to the Unit in question or the leasing of the Unit to the Purchaser thereof and Sponsor agreed to repair such items. Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan. Nothing contained herein shall be construed to render Sponsor liable for consequential damages, whether based on negligence, breach of contract, warranty or otherwise (except as Sponsor may be liable for by law).
- (d) Except as expressly set forth herein, Sponsor has no obligation to correct or repair any defect or condition in any Unit, the Common Elements, or the Building or in any installation, apparatus, fixture or appurtenance. The foregoing provisions set forth Sponsor's entire responsibility with respect to corrections and repairs and none other shall be implied.
- (e) Notwithstanding anything to the contrary stated in this section or in this Plan, Sponsor's obligation, regardless of any limitations in any warranty stated herein or in this Plan, is to

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

47. See the section of the Plan entitled RIGHTS AND OBLIGATIONS OF THE SPONSOR.

INTRODUCTION

Sponsor and Offer of Sale

4 AVE BU LLC (the “Sponsor”), a limited liability company organized under the laws of the State of New York, presents this Offering Plan (the “Plan”) for the establishment of condominium ownership of the land (the “Land”) consisting of approximately 7,909.6 square feet in the City and State of New York, located at 554 4th Avenue, Brooklyn, New York and upon presentation of this Plan known as Block 1046, Lot 37, as shown in the Kings County Tax Map, and a building (the “Building”) existing on the Land to be called The 554 4th Avenue Condominium (the “Condominium”). Sponsor acquired the Property on July 11, 2014 by deed from 138 15 LLC, recorded in the Kings County office of the City Register on July 29, 2014 as CRFN 2014000249445.

This Plan sets forth all the material terms of the offer to sell Units in the Condominium. The Condominium is subject to and will comply with the New York Condominium Act. The Plan may be amended from time to time by amendment duly filed with the New York State Department of Law and served pursuant to 13 NYCRR § 20.1(d). The Plan, including Part II, constitutes the entire offer of the Sponsor. Copies of the Plan and all Exhibits submitted to the Department of Law in connection with the filing of this Plan will be available for inspection without charge by prospective Purchasers or their attorneys and copying at a reasonable charge at the Building after the on-site sales office is open.

The Building will be constructed by Sponsor in accordance with all applicable law. The Sponsor expects that construction will be complete on or about March 2018. On completion of construction, the Building will consist of a cellar and eleven floors. The Building will be divided into forty (40) Residential Condominium Units and three (3) Commercial Units. The Commercial Units are not being offered for sale to the public at this time. In the event the Sponsor elects to sell a Commercial Unit or Units in the future except pursuant to the No-Action Letter described below, Sponsor will amend the Offering Plan to so state. It is anticipated that the Commercial Units will be utilized as retail Commercial Units as permitted by the Certificate of Occupancy.

Sponsor submitted an application to the Department of Law, File Number NA17-0121, requesting a no-action letter (the “No-Action Letter”) permitting Sponsor to transfer Commercial Unit B, and Residential Units 3C and 3D to the seller of former lots 39, 40 and 41 of Block 1046 as shown in the Kings County Tax Map, which lots have since been merged into Lot 37 on which the Condominium will be formed and exist. A copy of the application for the No-Action Letter is available for inspection at the Department of Law, Real Estate Finance Bureau. A copy of the application for the No-Action Letter is available for inspection at the Department of Law, Real Estate Finance Bureau. As of the filed date of this Plan, the No-Action Letter has not yet been issued by the Department of Law. Sponsor shall amend the Plan to disclose any material developments with the application for the No-Action Letter and when the No-Action Letter has

been issued by the Department of Law.

Sponsor has not obtained any construction financing to construct the Building.

Sponsor will be offering for sale pursuant to this Plan the forty (40) Residential Condominium Units in accordance with the schedule of sales prices (Schedule A) set forth in Part I. These prices have been set by Sponsor and are not subject to approval by the Department of Law or any other governmental agency.

Sponsor is retaining the unconditional right to rent rather than sell Units after the Plan has been declared effective and the First Unit Closing has occurred. Unless this Plan is abandoned, Sponsor will endeavor in good faith to sell, but makes no representation that it will execute Purchase Agreements to sell fifteen percent (15%) of the Units. In the event Sponsor has rented a Unit and, subsequently, sells the Unit pursuant to this Plan, such sale of the Unit will provide that it will be sold in “as is” condition, except for any applicable warranties expressly provided in this Plan.

If Sponsor makes a bulk sale of all or some of its Unsold Units, the transferee successor Sponsor will be bound by Sponsor’s representations regarding its commitment to sell Units. In the event Sponsor has rented a Unit and, subsequently, sells the Unit pursuant to this Plan, such sale of the Unit will provide that it will be sold in “as is” condition, except for any applicable warranties expressly provided in this Plan.

On the Effective Date of this Offering Plan as hereinafter described, Sponsor will, by Declaration of Condominium recorded in the office of the City Register for Kings County, submit the Property to Article 9-B of the Real Property Law of the State of New York (as amended, the “Condominium Act”). The proposed Declaration is set forth in Part II of this Plan. The Declaration, together with the By-Laws of the Condominium, will be recorded by Sponsor at its sole cost and expense prior to its conveyance of title to the first Unit.

The unused floor area development rights that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution (the “Development Air Rights”) shall be retained by Sponsor or any entity to whom Sponsor conveys said Development Air Rights for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar and related agreements. Sponsor or any entity to whom Sponsor conveys Development Air Rights shall have the right to amend the Declaration and any ZLDA that exists pertaining to the Building, in order to convey Development Air Rights (the “Air Rights Amendment”). Sponsor or any entity to whom Sponsor conveys the Development Air Rights shall have the right to complete and file the Air Rights Amendment with the City of New York without the consent of the owners of the Condominium Units or the Board of Managers or any parties in interest to the Common Elements. The owners of the Condominium Units, the Board of Managers and/or any parties in interest to the Common Elements shall be deemed to have consented to the transfer of Development Air Rights as described in the Air

Rights Amendment and shall execute any documents evidencing said consent as are reasonably requested by Sponsor. In the event Development Air Rights are transferred to an adjoining premises, the light, air and views from the Building may be negatively impacted. Notwithstanding the foregoing, neither Sponsor nor any entity to whom Sponsor conveys the Development Air Rights to may utilize the Development Air Rights to increase the size, height, bulk or density of any portion of the Property.

The Plan delivered to prospective purchasers contains all the material terms of the transaction, and is presented in two Parts in one volume. Part I sets forth a general description of the Plan, including the relevant provisions of various agreements known as the Project Documents. Part II contains a detailed physical description of the Condominium, together with copies of the forms of many of the documents that will affect the use, resale, or mortgaging of each Unit. Both Parts, including all schedules and exhibits, constitute the entire offer of Sponsor. These documents should be reviewed carefully by each prospective Purchaser and his or her attorney prior to signing a Purchase Agreement. Copies of the Plan, all exhibits to the Plan, and Project Documents are available for inspection by prospective purchasers and their attorneys at the on-site offices of the Sponsor, and are also available for inspection and copying at a reasonable fee at the New York State Department of Law, 120 Broadway, New York, New York.

Features of Condominium Ownership

The ownership of a Unit in the Condominium is similar in many respects to the ownership of a private one-family home. Each Unit Owner owns his or her Unit outright (in fee simple absolute) and is generally is entitled to its exclusive possession and to its use for any legal purpose, subject to the provisions of the Declaration, By-Laws of the Condominium, and any Rules and Regulations promulgated by the Condominium, which each Unit Owner is obligated to comply with. A Unit Owner is also the owner, in common with all other Unit Owners, of all remaining parts of the Property, except for the Units themselves (collectively, called “Common Elements”). Common Elements are those areas intended to be devoted to the common use and enjoyment of all Unit Owners, including the land; the foundations, columns, girders, beams, supports, exterior walls of the Building, and all joists; the central and appurtenant installations and equipment for services such as power, light, telephone, hot and cold water, sewer and fire safety, the meter rooms, the stairwell from the cellar to the roof and the roof deck; roof and the bulkhead roof. Each Unit Owner’s proportionate share (“Common Interest”) of the Common Elements has been determined pursuant to Condominium Act Section 339-i. Terraces which are for the use of a specified Unit (or Units) to the exclusion of all others are known as “Limited Common Elements.” Limited Common Elements are those Common Elements that a Unit Owner will have the exclusive right to use. See SCHEDULE A in Part I of the Plan.

The Board will have a Right of First Refusal with respect to the sale or lease of any Residential Unit; therefore, there is no limit on the number of Owners who may purchase for investment rather than for personal occupancy and, as a result, there may always be a substantial percentage of owners who are non-residents. Owner-occupants and non-resident Owners,

including Sponsor, may have inherent conflicts on how the Condominium should be managed because of their different reasons for owning; i.e., purchase of a Unit as a home as opposed to an investment. A Unit Owner may sell or lease (for periods of at least one (1) year).

Each Unit may be separately mortgaged and the Unit Owner will be responsible for interest and amortization payments on the mortgage, if any encumbering such Unit Owner's Unit. A Unit is not subject to the lien of any mortgage placed by other Unit Owners on their Units.

Each Unit Owner will be assessed and taxed separately for real estate tax purposes and, therefore, no Unit Owner will be liable for the payment of real estate taxes on any other Unit. In the opinion of counsel for Sponsor, payments of real estate taxes and interest on any mortgage affecting the Owners Unit, will be deductible for federal, state, and local income tax purposes (see Counsel's Tax Opinion set forth in Part I) subject to the conditions contained in such opinion.

Each Unit Owner, at the Unit Owner's sole cost, may decorate and alter the interior of the Unit Owners Unit in any way that the Unit Owner desires, subject to the provisions of the By-Laws and the Rules and Regulations promulgated by the Condominium and all applicable Laws. Each Unit Owner will be solely responsible for the cost, ordinary and extraordinary, of maintenance of and repairs to the Unit Owner's Unit and all plumbing, heating, telecommunications, sanitary, and electrical systems, fixtures and equipment located within the Unit and connections to common lines which exclusively serve such Unit Owner's Unit, and for the cost of all electricity and gas consumed with the Unit Owner's Unit, as measured by individual electric and gas meters.

The Board of Managers will be elected by the Unit Owners after an initial period of control by Sponsor, and will be charged with the primary obligation for operating the Property. The By-Laws do not provide that after the Sponsor relinquishes control of the Board that Board members be owner-occupants. Each Unit Owner's vote will be weighed in accordance with the Owner's percentage interest in the Common Elements. A description of the Unit Owners right to vote for and to serve as a member of the Board of Managers, and a description of the rights and obligations of the Board Managers is contained in the Section entitled "Rights and Obligations of the Board of Managers" in Part I of the Plan and in the Condominium By-Laws.

The Board of Managers will make most decisions concerning the manner in which the Condominium will be maintained. This will include making decisions regarding hiring of a management company to manage the day-to-day operations of the Condominium, preparing budgets, entering into service contracts, and the making of repairs and improvements, all of which may impact the amount of the Common Charges.

The Board of Managers will be responsible for paying, among other things, the cost of electricity consumed in the Common Elements, water and gas consumed at the Building,

repairing maintaining, and making necessary replacements to the Common Elements and insurance against casualties causing damage to the Building and Common Elements and certain other potential liabilities. See the Schedule B and the notes thereto which more fully discuss the Common Expenses which will be paid by the Board of Managers and to Schedule B-1 regarding estimated energy and utility costs.

A Unit Owner should obtain at the time of Closing, “interior unit coverage” which is “walls-in” coverage also referred to as an HO-6 policy insurance if the Condominium does not maintain such insurance.

Each Unit Owner must pay monthly Common Charges in accordance with the Declaration, the By-Laws, and the applicable provisions of the Condominium Act, in order to fund payment of the Common Expenses incurred in the operation of the Property and the maintenance of the Common Elements. The Board of Managers will assess Common Charges against each Unit Owners in accordance with its Common Interest based on the Board’s estimate of Common Expenses which is based on the projected budget for each twelve (12) month period. The estimated Common Charges for each Unit for the first year of operation of the Condominium are set forth in the Schedule A contained in Part I of the Plan.

This offering is made only to individuals aged 18 years or older, and entities qualified to do business in the State of New York who are competent to own real estate in the State of New York.

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

DEFINITIONS

The following terms used in this Plan and in Article 9-B of the Real Property Law (the “Condominium Act”), have the following meanings:

- Board of Managers (also “Condominium Board” or “Board”): The governing body of the Condominium initially comprised of three (3) managers appointed by Sponsor.
- Building (also “Premises” or “Property”): The structure containing the Units and the Common Elements of the Condominium (other than the land under the Building).
- By-Laws: One of the documents governing the operation of the Condominium, the form of which is set forth in Part II of the Plan.
- City Register’s Office: The New York County office of the Register of The City of New York.
- Closing: Including words of similar import are used synonymously and mean the payment of the purchase price, and the transfer of legal ownership of a Unit pursuant to this Plan and the Purchase Agreement.
- Closing Date (or “Date of Closing”): The date scheduled for the closing of title to a Unit by Sponsor as same may be adjourned in accordance with the terms of the Purchase Agreement.
- Common Charges: Assessments payable to the Board of Managers by each Unit Owner for the purpose of meeting Common Expenses.
- Commercial Common Elements: Those portions of the Building intended to be devoted to the common use and enjoyment of all Commercial Unit Owners as set forth in the Declaration.
- Common Expenses: The costs and expenses in connection with the repair, maintenance, replacement, restoration and operation of, and any alteration, addition or improvement to, the Common Elements, including any reserve established in anticipation of the aforesaid costs and expenses.
- Common Interest (also “Common Interest Percentage” or “Percentage of Common Interest”): The proportionate, undivided interest in fee simple absolute in the Common Elements pertaining to each Unit set forth in the Declaration. Such interest is expressed as a numerical percentage. The total of all Common Interest percentages pertaining to all Units equals 100%. The Common Interest of the Unit is the basis for determining, among other things, a Unit Owner’s (a) proportionate share of the Common Expenses and (b) proportionate share of any distributions upon termination of the Condominium.

- Commercial Unit: Any Unit in the Condominium designated as a Commercial Unit in the Floor Plans. Two or more of such units are referred to collectively as the “Commercial Units”.
- Commercial Owner (also “Commercial Unit Owner”): A Unit Owner who has purchased a Commercial Unit. Two or more of such Unit Owners are referred to collectively as the “Commercial Unit Owners”.
- Condominium: The Units and Common Elements comprising the Property to be called the 554 4th Avenue Condominium. The words “Property”, “Condominium”, “Premises” and “Building” are used interchangeably in this Plan.
- Condominium Act: Article 9-B of the New York State Real Property Law.
- Declaration: The recorded instrument by which the Property is submitted to the provisions of the Condominium Act, as such instrument may be amended from time to time, consistent with law and the By-Laws. The By-Laws, which govern the operation of the Condominium, are part of the Declaration.
- Department of Building: The Department of Buildings of the City of New York.
- Department of Law: The New York State Department of Law.
- Deposit: The payment or payments required to be paid by Purchaser at the time a Purchase Agreement is tendered to Sponsor or at the time or times prior to Closing as provided in the Purchase Agreement.
- Escrow Agent: Marans Weisz & Newman, LLC
- Equal or Better Quality: Comparable or better quality as recognized by industry standards for performance, efficiency, longevity, and/or classifications, as applicable.
- FHA: Federal Housing Administration
- FHLMC: Federal Home Loan Mortgage Corporation
- First Unit Closing (also “First Closing”): Closing of the first Unit in the Condominium to a bona fide Purchaser under the Plan.
- Floor Plans: Floor plans prepared by Feingold & Gregory - Architects showing the division of the Property into the Units and Common Elements and to be filed with the Condominium Declaration.
- FNMA: Federal National Mortgage Association

- General Common Elements: Those areas intended to be devoted to the common use and enjoyment of all Unit Owners (including Residential Unit Owners and Commercial Unit Owners) as set forth in the Declaration.
- HUD: United States Department of Housing and Urban Development
- Insurance Trustee: A bank or trust company in the State of New York from time to time appointed to serve as such by the Condominium Board.
- Land: The parcel of land on which the Building will be situated, as more particularly described in the Declaration.
- Limited Common Elements: Those Common Elements for which a Unit Owner will have the exclusive right to use. In this Plan, examples of Limited Common Elements are rear yards, terraces and balconies accessed through particular Units.
- Permitted Encumbrances: Encumbrances to the title to a Unit that a Purchaser agrees to take title subject to, as more particularly itemized on Schedule A annexed to the form of the Purchase Agreement contained in Part II of the Plan.
- Permitted Mortgage: A mortgage of a Unit or Units permitted to be placed thereon pursuant to the provisions of the By-Laws.
- Plans and Specifications: The plans and specifications for the Building which (to the extent required by law) are filed with, and approved by, the Department of Buildings and 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 this Plan.
- Property: The Land, the Building and other improvements thereon, and all easements, rights and appurtenances belonging thereto.
- Purchase Agreement: The agreement to purchase a Unit pursuant to the Plan, the form of which is set forth in Part II of the Plan.
- Purchaser: A purchaser of a Unit pursuant to a Purchase Agreement.
- Registered Guarantor: A guarantor on a Registered Mortgage who has registered with the Board of Managers by supplying the Board with the name and address of the guarantor.
- Registered Mortgagee: A mortgagee that holds a mortgage on a Unit that has provided notice to the Board indicating they hold a mortgage on a Unit which notice has a copy of the mortgage along with contact information for the mortgagee.
- Registered Mortgage: The mortgage held by a Registered Mortgagee.

- Residential Common Elements: Those portions of the Building intended to be devoted to the common use and enjoyment of all Residential Unit Owners as set forth in the Declaration.
- Residential Limited Common Elements: shall mean those portions of the Common Elements intended to be devoted to the exclusive use and enjoyment of one or more but not all of the Residential Unit Owners as set forth in the Declaration.
- Residential Unit: The space to be exclusively owned and occupied by a Purchaser.
- Residential Unit Owner (also “Residential Owner”): A Unit Owner who has purchased a Residential Unit.
- Rules and Regulations: The rules and regulations of the Condominium made in accordance with the By-Laws. The rules and regulations, which will apply unless and until amended by the Board of Managers, are set forth as an addendum to the By-Laws in Part II.
- Sponsor or its designee: Sponsor or any affiliate of Sponsor. An affiliate shall be deemed to be any person or entity designated by Sponsor to acquire title to one or more Units. Designees of Sponsor shall have the right to designate a person or entity, whether related or unrelated to Sponsor, to succeed to their rights and any such person or entity shall also be deemed a designee of Sponsor.
- Unit Deed: A bargain and sale deed with covenant against grantor’s acts, from Sponsor to a Purchaser, conveying title to the Unit and its appurtenant Common Interest.
- Unit Owner: An owner of any Unit. Two or more of such owners are collectively referred to as “Unit Owners.”
- Unsold Units: Any Units owned by Sponsor or its designee, other than any Unit purchased by and for the use of Sponsor or its designee, until such time as the same have been sold.
- VA: Veterans Administration.

DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Property has a land area of approximately 7,909.6 square feet. The site will contain one new building (the "Building") which completed, will contain a gross square footage of approximately 47,419 square feet. The street address of the Property is 554 4th Avenue in the Borough of Brooklyn, New York. The Building is located at the corner of 4th Avenue and 15th Street. The entrance to the Residential Units is via the Building lobby entrance located on 4th Avenue. Commercial Unit A has its entrance on 15th Street. Commercial Unit C has its entrance on 4th Avenue. Commercial Unit B faces 4th Avenue and features two First Floor entrances, one on 4th Avenue and one on 15th Street.

The Condominium shall consist of forty (40) Residential Units and three (3) Commercial Units. The Building will contain one (1) cellar and eleven (11) floors (cellar, first, second, third, fourth, fifth, sixth, seventh, eighth, ninth, tenth and eleventh floors), and will be a Class I-B non-combustible building. Two (2) passenger elevators shall serve the entire building from Cellar to roof. The Building will be constructed of wood, iron, steel, concrete, brick, stone and glass. See the Description of Property and Specifications and Building Condition set forth in Part II of the Plan for a further description.

There are three (3) Commercial Units at the premises. The Commercial Units will be located on the first floor of the Condominium. Such Units will not be offered for sale at this time except for Commercial Unit B as set forth in the No-Action Letter as described herein. In the event the Sponsor elects to sell Commercial Unit A or Commercial Unit C in the future, Sponsor will amend the Offering Plan to so state.

Improvements made to the Building will be undertaken pursuant to a new building permit, in accordance with the New York City Building Code and with all applicable zoning and building laws. After completion of construction, the Sponsor will apply for a temporary or final Certificate of Occupancy from the New York City Department of Buildings. The Sponsor will obtain a temporary Certificate of Occupancy prior to the First Unit Closing and will seek to obtain a final Certificate of Occupancy within two (2) years of the issuance of the first temporary Certificate of Occupancy for the Building, barring delays caused by *force majeure* or other reasons beyond the control of Sponsor. The Building is expected to be substantially completed on or about March 2018.

Each Unit will have a refrigerator/freezer, dishwasher, and range with oven and hood. The Sponsor will not supply laundry equipment to the Units. However, each Unit will have a connection for a washer and ventless dryer located in a laundry closet installed within the Unit. Sponsor anticipates providing appliances in each of the Units as set forth in the Description of Property and Specifications located in Part II of the Plan (the "Architect Report"). The Sponsor reserves the right to provide fixtures and appliances by different manufacturers which are equal to or better than those set forth in the Architect Report. "Equal or better quality" shall mean materials, appliances, equipment and/or fixtures that have substantially the same life expectancy,

warranty, basic performance, and maintenance expectations.

There will be a trash chute on each floor in the building leading to the trash compactor located in the cellar of the premises. Refuse and recyclables will be stored in the refuse room in the cellar of the premises. Bags and recyclables will be transported to the street by building staff.

Electricity is provided by Consolidated Edison Company. The electricity to the Residential Units and Commercial Units will be separately metered by Con Edison and will be paid for by the owner of such Unit. The electricity consumed in the Residential Common Elements will be borne by the Residential Unit Owners as a Common Charge and be allocated to each Residential Unit in proportion to their Common Interest Percentage, relative to one another.

Gas is provided by National Grid. There will be one (1) gas meter for each of the three (3) Commercial Units and one (1) meter for all Residential Units. The gas meters will be located in the cellar gas meter room.

All Residential Units will be pre-wired for telephone service. Each Unit Owner will have the option to obtain service from any provider granted access to the Building by the Sponsor or Condominium Board. Every Unit Owner will be required to pay their associated telephone charges and initial charges for activating individual outlets in the Unit.

All Residential Units will be pre-wired for cable television service. Each Unit Owner will have the option to obtain service from any provider granted access to the Building by the Sponsor or Condominium Board. Every Unit Owner is required to pay the cable service provider for installing appropriate outlets and activating the wiring in the Unit.

All Residential Units will be pre-wired for internet service. Each Unit Owner will have the option to obtain service from any provider granted access to the Building by the Sponsor or Condominium Board. Every Unit Owner will be required to pay the service provider directly for their internet service.

All fixtures and equipment described in this Plan are included in the offering prices listed in Schedule A.

Building residents and their guests, subject to any rules which the Board may promulgate, will have the following facilities and amenities available for use as Residential Common Elements: All Residential Unit Owners will have access to the recreation area located on the second floor of the Building, which will be accessible via the elevator and the interior staircase and corridor of the Building. There will also be a bicycle room located on the Cellar of the Building to accommodate bicycle storage by Residential Unit Owners on a first-come, first-served basis.

Purchasers are advised that all of the Common Elements in the Building may not be

available for use at the time of the First Unit Closing. While Sponsor will attempt to provide all Common Elements within a reasonable time, Sponsor reserves the right to complete all Common Elements within twelve (12) months of the First Unit Closing. However, the Building will be fully staffed as of the First Closing. Purchasers will not be entitled to any credit or abatement against the Purchase Price or the Common Charges if any of the Common Elements are not available for use on or after a Purchaser's Closing. Notwithstanding the foregoing, the Condominium Board of Managers shall have the right, but not the obligation, in its sole and absolute discretion, to adjust the First Year's Budget to reduce the Common Charges for the period in which such Common Elements are not available.

Limited Common Elements consist of the portions of the Property (other than the Units and the Common Elements) existing for the sole use and enjoyment of certain Unit Owners to the exclusion of all other Unit Owners. In this Building, Units 3C, 3D, 4C, 4D, 5C, 5D, 6C, 6D, 7C, 7D, 8C, 8D, 9C, 9D, 10A, 10B, 11A and 11B each include a terrace or terraces allocated as a Limited Common Element. Unit 11B will have swimming pool allocated as a Limited Common Element.

No structures of any kind may be erected on the Limited Common Elements without the express written permission of the Board of Managers, except for temporary structures. Each Unit Owner of a Unit to which a Limited Common Element is appurtenant shall be responsible for the cost and performance of all painting, decorating and non-structural ordinary maintenance, repairs, cleaning and replacements to such Limited Common Element. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element, unless the need for such repair or replacement was caused by the negligent act or omission of the Owner of the Unit to which it is appurtenant, shall be allocated to all Unit Owners as a Common Expense. The Board of Managers shall have the right of access in and through these areas for the purpose of doing building maintenance inspections. Notwithstanding anything herein to the contrary, a Unit Owner who wishes to paint, decorate or make any other changes to a Limited Common Element appurtenant to his or her Unit, and which change deviates from the Limited Common Element as it was originally delivered by Sponsor, must first obtain express written permission from the Board of Managers.

The terraces are characterized in the Declaration of Condominium as Limited Common Elements appurtenant to the aforementioned Units. Unit Owners with a terrace or the swimming pool appurtenant to their Unit shall be responsible for all normal maintenance of these areas at the Unit Owner's sole cost and expense.

There are lot line windows along the east façade of the Building. The Units that will contain a lot line window are Units 5E, 6E, 7E, 8E, 9E, 10C and 11B.

The Building is not in a landmark district.

Sponsor reserves the right to amend or modify, in any way, the Plans and Specifications

(including without limitation, changing materials, appliances, equipment, fixtures and other construction details) and to substitute in place of any materials, appliances, equipment, and fixtures set forth therein, materials, appliances, equipment and of a substantially equal or better quality, provided that any necessary approval of any governmental authority having jurisdiction is first obtained.

LOCATION AND AREA INFORMATION

Location

The Building is located on the west side of 4th Avenue at the corner of 15th Street between 15th Street and 16th Street on the block bounded by 3rd Avenue and 4th Avenue. The Building is in the Borough of Brooklyn in the neighborhood known as Gowanus. Gowanus, a light industrial swath of Brooklyn centered around the Gowanus Canal. The neighborhood is part of Brooklyn Community Board 6. The adjoining lots to the Building are undeveloped. Due to these surrounding lots' small sizes, DOB would restrict the amount of floor area that can be developed on these parcels, and therefore the likelihood that these adjoining parcels will be developed are minimal.

The Sponsor has other development projects in the immediate vicinity of this project, including 467 Union Street. Sponsor has completed construction and initiated sales of Condominium Units located at 98 16th Street between 3rd Avenue and 4th Avenue approximately 400 feet from the premises.

Educational Institutions

The Building is located in school district number 15.

Grade Schools:

- | | |
|-------------------------------------|-----------------------------|
| ▪ P.S. 124 Silas B. Dutcher | 515 4 th Avenue |
| ▪ P.S. 295 | 330 18 th Street |
| ▪ Hellenic Classical Charter School | 646 5 th Avenue |
| ▪ P.S. Beacon School of Excellence | 824 4 th Avenue |

Intermediate/Junior High Schools:

- | | |
|---|-----------------------------|
| ▪ New Voices School of Academic & Creative Arts | 338 18 th Street |
| ▪ J.H.S. 088 Peter Rouget | 544 7 th Avenue |
| ▪ M.S. 51 William Alexander | 350 5 th Avenue |

High Schools:

- | | |
|-----------------------------------|----------------------------|
| ▪ P.S. K053 | 544 7 th Avenue |
| ▪ Secondary School for Journalism | 237 7 th Avenue |
| ▪ Millennium Brooklyn High School | 237 7 th Avenue |
| ▪ John Jay School for Law | 237 7 th Avenue |

Sponsor, however, makes no guarantee or representation as to which school a child residing at the Building may be able to actually attend.

Zoning and Use

The Building is located in Zoning District R8A which permits the construction of ten to twelve story residential structures as of right. The Building also has a C2-4 commercial overlay allowing for customer-focused commercial uses serving the residential community. Such zoning is widely mapped in built-up, medium-density areas in Brooklyn, Queens and the Bronx.

Municipal Services

Transportation:

The nearest subway lines are the D, N and the R trains stopping at the Prospect Avenue station at Prospect Avenue and 4th Avenue. Also nearby are the F and G trains stopping at 4th Avenue and 9th Street.

There are many different bus routes in the vicinity of the Building as follows:

B37: 3rd Avenue and 15th Street

B63: 5th Avenue and 15th Street

B103-LTD: 4th Avenue and 10th Street

Police, Fire, Water, Sanitation, Snow Removal and Road Maintenance:

These services are provided by the City of New York and all charges (except water) are incorporated into City taxes. The property is located within the 72nd Police Precinct located at 830 4th Avenue, Brooklyn, New York 11232. The property is located within Engine 239 Firehouse located at 395 4th Avenue, Brooklyn, New York 11215.

Public Library:

The Brooklyn Public Library branch serving the area is the Park Slope Branch located at 431 6th Avenue, Brooklyn, New York 11215.

Mailing Address and Postal Services:

The mailing address of the Property will be “554 4th Avenue, Brooklyn, New York 11215”. The post office servicing the Property is the Van Brunt Station located at 275 9th Street, Brooklyn, New York 11215.

Medical Facilities

- New York Methodist Hospital 505 6th Street
- The Long Island College Hospital 339 Hicks Street

- The Brooklyn Hospital Center – Caledonia Campus 100 Parkside Avenue
- The Brooklyn Hospital Center – Downtown Campus 121 Dekalb Avenue
- CityMD Urgent Care 418 5th Avenue

Religious Institutions

There are houses of worship of most major denominations in the vicinity of the Property.

After the Filing Date, Sponsor makes no guarantee or representation as to the continued operation of any of the services or amenities disclosed in this section of the Plan.

THE 554 FOURTH AVENUE CONDOMINIUM

554 Fourth Avenue, Brooklyn, New York

Schedule A-1: Purchase Prices for Residential Units and Related Information for the
Projected First Year of Condominium Operation March 1, 2018 - February 28, 2019)

Unit	Bdrms	Bthrms	Unit Square Feet (1)	LCE Square Feet (1)	Offering Price (2)	Residential % of Common Interest (3)	General % of Common Interest (3)	Estimated Monthly Common Charges (4)	Estimated Annual Common Charges (4)	Estimated Monthly Real Estate Taxes (5)	Estimated Annual Real Estate Taxes (5)	Estimated Monthly Total Carrying Charges (6)
3A	1	1	698		\$ 539,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
3B	1	1	661		\$ 525,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
3C	1	1	799	105	N/A	2.3947%	2.0651%	\$ 516.34	\$ 6,196.12	\$ 451.33	\$ 5,415.91	\$ 967.67
3D	1	1	824	293	N/A	2.6036%	2.2453%	\$ 561.40	\$ 6,736.79	\$ 490.71	\$ 5,888.50	\$ 1,052.11
3E	1	1	643		\$ 515,000.00	1.8658%	1.6091%	\$ 402.33	\$ 4,827.94	\$ 351.67	\$ 4,220.01	\$ 754.00
4A	1	1	698		\$ 549,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
4B	1	1	661		\$ 535,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
4C	1	1	721	88	\$ 549,000.00	2.1560%	1.8593%	\$ 464.89	\$ 5,578.64	\$ 406.35	\$ 4,876.18	\$ 871.23
4D	1	1	728	707	\$ 625,000.00	2.6254%	2.2641%	\$ 566.10	\$ 6,793.20	\$ 494.82	\$ 5,937.81	\$ 1,060.92
4E	1	1	726		\$ 535,000.00	2.1067%	1.8168%	\$ 454.26	\$ 5,451.12	\$ 397.06	\$ 4,764.72	\$ 851.32
5A	1	1	698		\$ 559,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
5B	1	1	661		\$ 545,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
5C	1	1	733	54	\$ 559,000.00	2.1662%	1.8681%	\$ 467.09	\$ 5,605.04	\$ 408.27	\$ 4,899.26	\$ 875.36
5D	1	1	699	54	\$ 589,000.00	2.0675%	1.7830%	\$ 445.81	\$ 5,349.71	\$ 389.67	\$ 4,676.08	\$ 835.48
5E	1	1	726		\$ 545,000.00	2.1067%	1.8168%	\$ 454.26	\$ 5,451.12	\$ 397.06	\$ 4,764.72	\$ 851.32
6A	1	1	698		\$ 569,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
6B	1	1	661		\$ 555,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
6C	1	1	721		\$ 565,000.00	2.0922%	1.8043%	\$ 451.13	\$ 5,413.62	\$ 394.33	\$ 4,731.94	\$ 845.46
6D	1	1	728		\$ 599,000.00	2.1125%	1.8218%	\$ 455.51	\$ 5,466.12	\$ 398.15	\$ 4,777.83	\$ 853.66
6E	1	1	726		\$ 555,000.00	2.1067%	1.8168%	\$ 454.26	\$ 5,451.12	\$ 397.06	\$ 4,764.72	\$ 851.32
7A	1	1	698		\$ 579,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
7B	1	1	661		\$ 565,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
7C	1	1	733	54	\$ 585,000.00	2.1662%	1.8681%	\$ 467.09	\$ 5,605.04	\$ 408.27	\$ 4,899.26	\$ 875.36
7D	1	1	699	54	\$ 599,000.00	2.0675%	1.7830%	\$ 445.81	\$ 5,349.71	\$ 389.67	\$ 4,676.08	\$ 835.48
7E	1	1	726		\$ 575,000.00	2.1067%	1.8168%	\$ 454.26	\$ 5,451.12	\$ 397.06	\$ 4,764.72	\$ 851.32
8A	1	1	698		\$ 610,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
8B	1	1	661		\$ 585,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
8C	1	1	721		\$ 575,000.00	2.0922%	1.8043%	\$ 451.13	\$ 5,413.62	\$ 394.33	\$ 4,731.94	\$ 845.46
8D	1	1	728		\$ 580,000.00	2.1125%	1.8218%	\$ 455.51	\$ 5,466.12	\$ 398.15	\$ 4,777.83	\$ 853.66
8E	1	1	726		\$ 585,000.00	2.1067%	1.8168%	\$ 454.26	\$ 5,451.12	\$ 397.06	\$ 4,764.72	\$ 851.32

9A	1	1	698		\$ 625,000.00	2.0254%	1.7467%	\$ 436.73	\$ 5,240.79	\$ 381.74	\$ 4,580.88	\$ 818.47
9B	1	1	661		\$ 605,000.00	1.9181%	1.6541%	\$ 413.58	\$ 4,962.96	\$ 361.50	\$ 4,338.03	\$ 775.08
9C	1	1	733	54	\$ 599,000.00	2.1662%	1.8681%	\$ 467.09	\$ 5,605.04	\$ 408.27	\$ 4,899.26	\$ 875.36
9D	1	1	699	54	\$ 605,000.00	2.0675%	1.7830%	\$ 445.81	\$ 5,349.71	\$ 389.67	\$ 4,676.08	\$ 835.48
9E	1	1	726		\$ 615,000.00	2.1067%	1.8168%	\$ 454.26	\$ 5,451.12	\$ 397.06	\$ 4,764.72	\$ 851.32
10A	2	2	1,048	406	\$ 1,400,000.00	3.3356%	2.8766%	\$ 719.25	\$ 8,630.94	\$ 628.68	\$ 7,544.14	\$ 1,347.92
10B	2	2	1,043	91	\$ 1,250,000.00	3.0925%	2.6670%	\$ 666.84	\$ 8,002.06	\$ 582.87	\$ 6,994.45	\$ 1,249.71
10C	2	2	1,117		\$ 1,350,000.00	3.2413%	2.7952%	\$ 698.89	\$ 8,386.71	\$ 610.89	\$ 7,330.66	\$ 1,309.78
11A	2	2	1,085	63	\$ 1,500,000.00	3.1941%	2.7546%	\$ 688.74	\$ 8,264.89	\$ 602.02	\$ 7,224.19	\$ 1,290.76
11B	5	4	4,480	1,567	\$ 3,800,000.00	14.1358%	12.1913%	\$ 3,048.23	\$ 36,578.73	\$ 2,664.40	\$ 31,972.78	\$ 5,712.63
Residential Units Subtotal			33,551	3,644	\$ 28,199,000.00	100.0000%	86.2395%	\$ 21,562.72	\$ 258,752.69	\$ 18,847.57	\$ 226,170.85	\$ 40,410.30
Commercial Unit A			2,173	0	N/A	N/A	5.4378%	\$ 651.39	\$ 7,816.67	\$ 1,188.43	\$ 14,261.12	\$ 1,839.82
Commercial Unit B			2,510	0	N/A	N/A	6.2807%	\$ 752.36	\$ 9,028.32	\$ 1,372.64	\$ 16,471.70	\$ 2,125.00
Commercial Unit C			816	0	N/A	N/A	2.0420%	\$ 244.61	\$ 2,935.31	\$ 446.28	\$ 5,355.33	\$ 690.89
Commercial Units Subtotal			5,499	0	N/A	N/A	13.7605%	\$ 1,648.36	\$ 19,780.31	\$ 3,007.35	\$ 36,088.15	\$ 4,655.70
GRAND TOTALS			39,050	3,644	\$ 28,199,000.00	100.0000%	100.0000%	\$ 23,211.08	\$ 278,533.00	\$ 21,854.92	\$ 262,259.00	\$ 45,066.00

NOTE: Units 3C, 3D and Commercial Unit B are currently intended to be transferred back to the seller of former tax lots 39, 50 and 41 of block 1046 as set forth in the No-Action Letter application as further described in the Introduction section of this Plan.

NOTES TO SCHEDULE A

1. Floor Plans depicting layouts of Units in this Schedule A appear in Part II of the Plan. Purchasers should note that the sellable square footage of each Unit, as reflected in Schedule A and the Floor Plans set forth in Part II of the Plan are approximate. The square footage calculations of the Units in Exhibit B to the Declaration set forth in Part II of this Plan are also approximate and do not include the square footage of any Common Element. Each Unit will be measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaftways, chases, chaseways and conduits are not deducted from the measurement of each Unit) to the exterior side of partitions separating one Unit from public corridors or to the centerline of the partitions separating one Unit from another Unit, or separating one Unit stairs, elevators and other mechanical equipment spaces or any Common Elements; or to the Unit side of the opposite exterior walls. Because dimensions listed are based on measurements from exterior walls, they do not accurately represent the interior space in the Units and substantially exceed the actual floor area. Floor area may include columns, mechanical pipes shafts, shaftways chases, chaseways and conduits which may be incorporated behind protruding walls or may be separately enclosed as freestanding columns thereby reducing the available floor area. Each Unit also includes the interior doors and walls and all plumbing, gas and electrical fixtures, lines, conduits and equipment such as refrigerators, dishwashers, panel boxes, ranges and other appliances, as may be affixed, attached or appurtenant to said Unit, not including the Building heating equipment and system, plumbing, gas and electrical fixtures and equipment as used in the preceding sentence include exposed and unexposed (to the extent solely serving or benefiting the Unit) gas and water pipes attached to the fixtures, appliances and equipment fixtures, appliances and equipment, and appliances and any special equipment, fixtures or facilities affixed, attached, or appurtenant to the Unit. Since the area calculations are not based upon measurements from interior surfaces of interior walls, the usable floor area of the Units is substantially less than the area listed in Schedule A. Measurements are approximate and are within reasonable tolerances.

The Limited Common Elements consist of the portions of the Property (other than the Units and the Common Elements) existing for the sole use and enjoyment of certain Unit Owners to the exclusion of all other Unit Owners. In this Building, the following Units will have a terrace or terraces allocated as a Limited Common Element: Units 3C, 3D, 4C, 4D, 5C, 5D, 6C, 6D, 7C, 7D, 8C, 8D, 9C, 9D, 10A, 10B, 11A and 11B. In addition, Unit 11B will have swimming pool allocated as a Limited Common Element.

No structures of any kind may be erected on the Limited Common Elements without the express written permission of the Board of Managers, except for temporary structures. Each Unit Owner of a Unit to which a Limited Common Element is appurtenant shall be responsible for the cost and performance of all painting, decorating and non-structural ordinary maintenance, repairs, cleaning and replacements to such Limited Common Element. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element, unless the need for such repair or replacement was caused by the negligent act or omission of the Owner of the Unit to which it is appurtenant, shall be allocated to all Unit

Owners as a Common Expense. The Board of Managers shall have the right of access in and through these areas for the purpose of doing building maintenance inspections. Notwithstanding anything herein to the contrary, a Unit Owner who wishes to paint, decorate or make any other changes to a Limited Common Element appurtenant to his or her Unit, and which change deviates from the Limited Common Element as it was originally delivered by Sponsor, must first obtain express written permission from the Board of Managers.

Each Owner of a Unit to which a Limited Common Element is appurtenant shall be responsible for the cost and performance of all painting, decorating and non-structural ordinary maintenance, repairs, cleaning and replacements to such Limited Common Element. However, the costs and expenses of any structural or extraordinary repairs or replacements to any Limited Common Element, unless the need for such repair or replacement was caused by the negligent act or omission of the Owner of the Unit to which it is appurtenant, shall be allocated to all Unit Owners as a Common Expense. The Board of Managers shall have the right of access in and through these areas for the purpose of doing building maintenance inspections. Notwithstanding anything herein to the contrary, a Unit Owner who wishes to paint, decorate or make any other changes to a Limited Common Element appurtenant to his or her Unit, and which change deviates from the Limited Common Element as it was originally delivered by Sponsor, must first obtain express written permission from the Board of Managers.

2. The Purchase Prices of Units may be negotiated by Sponsor and therefore, may be changed. No such change will be made other than pursuant to a duly filed amendment to the Plan filed in advance of any such change, except that Sponsor reserves the right to decrease Purchase Prices or modify other monetary terms of sale, including granting a mortgage loan contingency in a Purchase Agreement in an amount agreed to by Sponsor, without filing an amendment to the Plan at any time during the offering period, if such a decrease in the Purchase Price, modification of other monetary terms of sale, or mortgage loan contingency does not constitute a general offering or an advertised price, but is rather the result of an individually negotiated transaction. See “Changes in Prices and Units” and “Unit Closing Costs and Adjustments” in Part I of the Plan, for a more detailed description of purchase prices and closing costs.

3. The respective Common Interest of each Unit in the Common Elements, in accordance with the provisions of Section 339-i(1)(iv) of the Condominium Act, is based upon floor space, subject to the location of such space and additional factors of relative value to other space in the Condominium, as well as, the uniqueness of the Unit. The Common Interest is the proportionate undivided interest, expressed as a numerical percentage, in the Common Elements appertaining to each Unit.

4. The projected monthly Common Charges provide for the maintenance of the Property outlined in Schedule B. The actual first year of operation may be earlier or later than the projected annual period. In addition to these estimated charges, each Unit Owner will be responsible for paying the following charges pertaining to their Unit:

- (i) mortgage debt payments under any loan or loans obtained to finance the

acquisition of a Unit;

- (ii) the cost of electricity, gas, cable, or internet service supplied to the Unit, which will be separately metered or measured by, and will be payable directly to, the utility company or provider of such services as and when billed; See “Budget for Individual Energy Costs Schedule B-1” in Part I of the Plan for a more detailed description of the projected cost of electricity and gas supplied to the Unit.
- (iii) the cost of interior repairs to, and the maintenance, painting and decoration of, the Unit (including, without limitation, the equipment and appliances contained therein); and
- (iv) the cost of insurance that the Unit Owner covering (a) furniture, belongings, equipment and other personal property and (b) The Unit Owner’s liability to others for personal injury or property damage as a result of occurrences in the Unit. Common Expenses are allocated only among the Unit Owners in accordance with their Common Interest.

5. Upon substantial completion of construction, the Property will be classified by the New York City Department of Finance (“DOF”) as a Tax Class 2 property. The policy of DOF is to apportion each Unit’s real estate taxes based on its Common Interest, in relation to the assessed value of the entire property. However, Sponsor makes no representation that DOF will actually apportion the real estate taxes for each Unit based on Common Interest.

Real estate tax valuation consultant, Metropolitan Realty Exemptions, Inc., 118 Middleton Street Brooklyn, New York 11206 (“MRE”), has provided an opinion letter in which they project the assessed value of the Residential Units. The first year of operations for the Condominium (the “First Year of Operations”) is estimated to be March 1, 2018 through February 28, 2019. Taxes for the First Year of Operations has been projected to be a blended rate of a portion of the taxes projected to be due at the rate during the 2017-2018 tax year (July 1, 2017 – June 30, 2018); and a portion of the taxes projected to be due at the rate during the 2018-2019 tax year (July 1, 2018 – June 30, 2018). MRE estimates the assessed value of the Condominium will be \$938,896 for the 2017-2018 tax year, and \$3,129,654 for the 2018-2019 tax year. The blended assessed value for the first year of Condominium operation is estimated to be \$2,034,275, which results in an estimated real estate tax liability for the Condominium of \$262,259. Real estate tax projections were based on the tax rate of 12.892%. Sponsor has not applied for real estate tax benefits under the 421-a tax exemption program.

After the Condominium is divided into individual tax lots by the Department of Finance, each Unit will be taxed as a separate tax lot for real estate tax purposes, and individual Unit Owners will not be responsible for, nor will the Unit be subject to, any lien arising from the nonpayment of taxes on other Units.

No warranty, guaranty or assurance is given that:

- (i) any projected or estimated amount set forth above including, without limitation, the estimates of the Property's assessed valuation during the first year of Condominium operation; the estimates of the portions of such assessed valuations that will be allocable to the Units; the tax rate that will be in effect during the first year; will approximate the actual amount; or
- (ii) DOF will allocate the Property's aggregate assessed valuation between the Units in accordance with the appraised values used by MRE for such purpose, or that DOF will allocate the aggregate assessed valuation attributable to the Units among the different Units as described above.

See "Real Estate Taxes" in Part I of this Plan and the opinion of Metropolitan Realty Exemptions, Inc., both of which are set forth in Part I of the Plan.

6. The total monthly carrying charges do not reflect the after tax cost of the carrying charges. In the opinion of Marans Weisz & Newman, LLC, real estate taxes and interest on a mortgage secured by a Unit paid or accrued by an owner of such Unit who is liable for the interest payment on such mortgage and who uses the Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his or her method of accounting, provided that he or she itemizes his or her deductions. The real estate taxes and mortgage interest described above will also be allowable as deductions for New York State income tax purposes for Unit Owners who are New York State residents who use the Unit as their personal residence. The amount of any available deductions may vary due to changes in the interest rate on a Unit Owner's mortgage, changes in the allocation of constant debt service payments to interest and principal, changes in real property taxes resulting from the expiration of real estate tax benefits, or changes in the assessed value of the Unit, the tax rate or the method of assessing real property. Please consult Counsel's Income Tax Opinion in Part I of this Plan for all conditions of deductibility. Purchasers are strongly encouraged to consult with their own tax professionals to ascertain the tax costs and benefits, if any, of ownership of a Unit.

PURCHASERS ARE ADVISED THAT THE FOREGOING INFORMATION IS NOT INTENDED AND SHOULD NOT BE TAKEN AS A GUARANTY BY ANYONE THAT THE ANNUAL CARRYING CHARGES OR EXPENSES FOR THE FIRST OR ANY SUBSEQUENT YEAR OF OPERATION OF THE CONDOMINIUM WILL BE AS STATED, OR THAT SUCH CARRYING CHARGES OR EXPENSES WILL NOT VARY FROM THE AMOUNTS SHOWN IN SCHEDULE A.

**PROJECTED BUDGET FOR FIRST YEAR OF
CONDOMINIUM OPERATION**

SCHEDULE B

554 4TH AVENUE CONDOMINIUM
554 4th Avenue, Brooklyn, New York

March 1, 2018 – February 28, 2019

PROJECTED COMMON CHARGE INCOME

CONDOMINIUM BUDGET

Residential Contribution to Common Expenses (Note 1)	\$ 258,752.69
Commercial Contribution to Common Expenses (Note 1)	<u>\$ 19,780.31</u>
Total:	<u>\$ 278,533.00</u>

Projected Common Expenses	Total	Residential Units	Non-Residential Units
Labor (Note 2)	\$52,105.00	\$52,105.00	\$0.00
Electricity (Note 3)	\$22,173.00	\$22,173.00	\$0.00
Water & Sewer Rents (Note 4)	\$54,278.00	\$46,809.08	\$7,468.92
Gas (Note 5)	\$20,960.00	\$20,960.00	\$0.00
Repairs, Maintenance and Supplies (Note 6)	\$20,000.00	\$20,000.00	\$0.00
Service Contracts (Note 7)	\$12,048.00	\$12,048.00	\$0.00
Insurance (Note 8)	\$42,694.00	\$36,819.09	\$5,874.91
Management Fee (Note 9)	\$21,000.00	\$18,110.30	\$2,889.71
Legal & Accounting Fees (Note 10)	\$7,500.00	\$7,500.00	\$0.00
Reserve (Note 11)	\$25,775.00	\$22,228.23	\$3,546.77
Total Expenses	\$278,533.00	\$258,752.69	\$19,780.31

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

FOOTNOTES TO SCHEDULE B

1. (a) Amounts are projected on the assumption that the First Year of Condominium Operation will commence on March 1, 2018 through February 28, 2019. The actual First Year of Condominium Operation may begin earlier or later than that year. In the event the actual or anticipated commencement date of the First Year of Condominium Operation is to be delayed by six (6) months or more, Sponsor will amend the Plan to include a revised budget with current projections. If the amended budget exceeds this projected budget by twenty five percent (25%) or more, Sponsor will offer all Purchasers (other than Purchasers who are then in default beyond any applicable grace period, if the Plan has been declared effective) the right to rescind their Purchase Agreements within not less than fifteen (15) days after the presentation date of the amendment containing such revised budget, and any Purchasers electing rescission pursuant to such offer will have their down payments returned, together with interest earned thereon.

These amounts represent the total Common Charges to be levied against and collected from the Unit Owners during the projected First Year of Condominium Operation. The Common Charges will be utilized by the Board to defray the operational expenses of the Condominium. Common Expenses are allocated among the Units on the basis of percentage of Common Interest.

(b) The Commercial Units will be constructed to operate as independent Units with a minimum of Common Expenses or operations shared with the Residential Units. Common Expenses are allocated to the Residential Units and the Commercial Units on the basis of either Percentage of Common Interest or special allocations based on anticipated consumption. Section 339-m of the Real Property Law permits the Board of Managers of a Condominium to specially allocate and apportion Common Expenses among Residential Units and Commercial Units based on exclusive use or availability if so authorized by the Declaration and By-Laws. Accordingly, the Condominium Declaration and the By-Laws, set forth in Part II of this Plan, authorizes the Board of Managers to allocate the costs of operating the Condominium among the Residential Units and Commercial Units based on anticipated usage as set forth herein. Where the allocation of Common Expenses is not based on Percentage of Common Interest, such circumstances are described in the following notes.

(i) The contribution of the Commercial Unit Owners to Common Expenses will be based on each Commercial Unit Owners' share of the Commercial Contribution. The Commercial Contribution of the Commercial Unit Owners to Common Expenses will be based on the percentage of Common Interest of the Commercial Unit Owners (as set forth on Schedule A) in the following expenses of the Condominium: water and sewer charges, insurance premium, management fees and reserve fund. Electricity and gas are separated metered to the Non-Residential Units.

(ii) In addition to their obligations under part (i), the Commercial Unit Owners will also be obligated to pay for their respective shares of the Commercial Contribution toward the expenses incurred by the Condominium in operating, maintaining and repairing the General Common Elements to the extent the same is reasonably utilized by Commercial Unit Owners.

(iii) The Commercial Unit Owners will be obligated to pay their fair share of the expenses that are incurred by the Board for operating, maintaining and repairing those portions

of the Condominium which are utilized by the Commercial Unit Owners. After operation of the Condominium has commenced, it is anticipated that the allocations of the Common Expenses to be paid by the Commercial Unit Owners will be periodically adjusted prospectively for the upcoming budget year, as provided in the By-Laws, but not more frequently than once per year, to reflect the differing proportions fairly attributable to the actual usage of such category by the Commercial Unit Owners. Any adjustment shall be in conformity with Section 339-m of the New York State Real Property Law. If any category of Unit Owner contends that any method of allocation determined by the Board is inequitable, the dispute may be submitted to arbitration as provided in the By-Laws. In the event that the use of a Commercial Unit is changed from its then existing use, the Board of Managers may allocate expenses or specific expense items and apportion Common Charges allocated to the Commercial Units resulting solely from such changes in use. Any dispute relating to the allocation of expenses shall be resolved by arbitration under the rules of the American Arbitration Association in accordance with the By-laws.

No warranty is made with respect to the amount of any budget item. The projected budget has been reviewed by the Sponsor's budget expert, Aster Johnson of Manhattan Modern Management, Inc. located at 16 Penn Plaza, Suite 511, New York, New York 10001. Based upon the consumption and related Building maintenance information that the Sponsor has provided to Aster Johnson, the budget is believed to be reasonable.

2. **Labor: \$52,105.00**

The Building staff will consist of one Full-time, non-union Superintendent at an annual salary of \$52,105.00 based on work performed at comparable properties in the area. The base wages and employer costs for the position are projected as follows:

Full-time superintendent at \$23.05 per hour	\$47,937.00
FICA (approximately 8% of wages)	\$ 4,168.00
Worker's Compensation Insurance	\$ 6,773.65
Total	\$52,105.00

The Full-time Superintendent's duties will include the following: (i) cleaning and maintaining the sidewalks in front of the Building, the lobby, halls and cellar spaces which are General Common Elements; and bag and place refuse on curb side for pick up in accordance with the schedule provided by the Department of Sanitation; and (ii) monitoring contractors, making repairs to General Common Elements, such as the roof, exterior walls, foundations, incoming water and sewer lines, etc.; and placing the Unit Owner's garbage curbside in accordance with the schedule provided by the Department of Sanitation.

All wages meet State and Federal minimum wage laws. Such level of staffing complies with all applicable housing labor laws.

No warranty is given that the actual wages and related taxes during the First Year of Condominium Operation will not exceed the budgeted amounts. However, the projected expenses for wages are based on current wage rates and payroll tax rates, adjusted for reasonably anticipated increases.

The cost of labor is allocated one hundred percent (100%) to the Residential Units. The Commercial Unit Owners are responsible for all maintenance of their Units.

3. Electricity: \$22,173.00

The amount set forth is the estimate for the electricity consumed only by the Residential Common Elements, since the electricity for all Units is individually metered by Consolidated Edison of New York. Electricity will be used to operate the elevator, any water pumps, building equipment and lighting throughout the interior and exterior of the Residential Common Elements areas of the Building. Allocation of the electricity consumed with respect to the Residential Common Elements is based on a master meter from Consolidated Edison explicitly for the Residential Common Elements.

The projected Residential Common Element electricity cost of \$22,173.00 is based on a consumption of 105,587 KWH of electricity at an average cost of \$0.21 per KWH. The foregoing estimate is based upon the opinion letter dated January 11, 2017, from Levin Engineering PLLC who address is 28 Dooley Street, 2nd Floor Brooklyn, NY 11235.

It is impossible to predict whether the budgeted figure will reflect the actual cost of electricity during the First Year of Condominium Operation. This cost will vary with both the level of consumption and the rate charged by the utility company.

See Schedule B-1 for the projected costs associated with individual electric consumption.

4. Metered Water and Sewer Charges: \$54,278.00

The budgeted amount of \$54,278.00 constitutes a projection of the water and sewer charges that will be payable by the Condominium during the First Year of Condominium Operation. It is based upon an estimated consumption of 4,380,000 gallons per hundred cubic feet of water and sewer at a rate of \$9.27 per 100 cubic feet. Water usage will be metered for the entire building. Since water usage by the commercial tenant is estimated to be minimal, there will be no separate meter.

It is believed that the budgeted amount should be sufficient to cover any reasonable increase in the cost of water and sewer charged during the First Year of Condominium Operation. However, no budget item is warranted as to its accuracy, sufficiency or otherwise.

This expense is allocated 13.7605% to the Commercial Units and the remainder to the Residential Units.

5. Gas: \$20,960.00

The amount set forth is the estimate for the gas consumed only by the Residential Units. There is one gas meter for all Residential Units, which shall measure the cost of gas cooking and domestic hot water consumed in the Residential Units. The cost of gas measured by this meter shall be shared by the Residential Unit Owners proportionately, based on each Residential Unit's Percentage of Common Interest.

The projected cost of gas is based on a consumption of 477 therms/year at an average cost of \$1.10 per therm. The foregoing estimate is based upon the opinion letter dated January 11, 2017, from Levin Engineering PLLC who address is 28 Dooley Street, 2nd Floor Brooklyn, NY 11235.

It is impossible to predict whether the budgeted figure will reflect the actual cost of gas during the First Year of Condominium Operation. This cost will vary with both the level of consumption and the rate charged by the utility company.

6. Repairs, Maintenance and Supplies: \$20,000.00

This figure represents the estimated cost for ordinary maintenance and repairs of the Common Elements, including periodic painting of the Common Elements at such intervals as the Board of Managers determines to be appropriate, and supplies, such as, cleaning supplies, light bulbs, fixtures, hardware, garbage bags, etc. used in connection with the operation of the Common Elements.

The total cost allocated in the budget is for the repair and maintenance of the Residential Units.

The above budget allocation is based upon ordinary operations. In the event major capital improvements are needed, the Board of Managers will determine any change needed in the budget allocation.

This expense is allocated 13.7605% to the Non-Residential Units and the remainder to the Residential Units. The Commercial Unit Owners are responsible for all maintenance of their Units.

7. Service Contracts: \$12,048.00

All service contracts entered into by the Sponsor may be terminated by the Condominium within thirty (30) days by giving written notice to the service provider. At present, the Sponsor anticipates that the Condominium will enter into the following maintenance service contracts during the First Year of Condominium Operations:

a) Elevator service contract at an estimated annual cost of \$10,200.00 for the monthly elevator service and annual required filings.

c) An extermination contract at an estimated annual cost of \$1,848.00, paid in equal monthly installments.

This expense is allocated 100% to the Residential Units.

8. Insurance: \$42,694.00

The insurance premiums are based on a letter dated March 7, 2017 from A. Logan Insurance, having an office at 260 West 36th Street, 3rd floor, New York, NY 10018, setting forth the following coverage:

PROPERTY: Special Form Replacement Cost, \$ Deductible

Building Value:	\$14,942,900
General Aggregate Liability:	\$2,000,000
Personal and Advertising Injury:	\$1,000,000
Each Occurrence:	\$1,000,000
Boiler & Machinery:	Insured to Value
Directors & Officers:	\$1,000,000
Fidelity Bond:	\$250,000
 Premium	 \$42,694.00

This is a one-year policy with no specific prohibitions against renewal.

In the opinion of Scott Handwerger, the foregoing coverage is sufficient to replace the Building in the event of a total loss during the First Year of Condominium Operation.

This quotation is a projection of rates for the First Year of Condominium Operation. However, because conditions in the insurance marketplace are volatile, it is not possible to predict exactly what the premiums will be during this time. Purchasers should be aware of the possibility of rate increases.

Sponsor will procure on behalf of the Board, on or before the date of the First Closing, the fire, casualty and general liability insurance required to be carried by the Condominium.

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

It is suggested that individual Unit Owners procure additional insurance at their own expense 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.

This expense is allocated 13.7605% to the Commercial Units and the remainder to the Residential Units. Accordingly, the Residential Units and the Commercial Units will be responsible for premium increases based upon their percentage of Common Interest.

9. Management Fee: \$21,000.00

The management fee is based on the management agreement to be entered into with Choice New York Management Inc., having an address 254 West 31st Street, 6th Floor New York, NY 10001, an affiliate of the Sponsor. Based on the opinion of the Sponsor's budget expert, Aster Johnson of Manhattan Modern Management, Inc., the fee for the managing agent for the First Year of Condominium Operation is comparable to the fees charged for such services

at comparable buildings. Reference should be made to the summary of the Management Agreement in Section 28, entitled "Management Agreement and Other Contractual Obligations."

This expense is allocated 13.7605% to the Non-Residential Units and the remainder to the Residential Units.

10. Legal and Audit Fees: \$7,500.00

Based upon the estimate of Rahl & Associates 141 Friends Lane, Suite 100, Newtown, PA 18940, \$4,500 has been budgeted for fees to be incurred in connection with the preparation of the audited financial statements for the First Year of Condominium Operation and its Federal and New York State income tax returns. The balance of the budgeted amount (\$3,000) has been estimated to provide for minor legal services to be rendered in connection with the operation of the Building such as attendance at Board meetings, preparation of Board minutes and negotiation of minor agreements.

The audit and legal expenses are allocated one hundred percent (100%) to the Residential Units. The Commercial Unit Owners shall be responsible for their own audit and legal expenses.

11. Reserve Fund: \$25,775.00

This amount is to cover possible increases in expenses not now foreseen and for expenses not included. The budget may be modified from time to time prior to commencement of, or during, the First Year of Condominium Operation to increase items of expenses and decrease the contingency reserve. This estimate also includes the cost of miscellaneous administrative and other expenses including, but not limited to, inspection fees, license fees, permits, stationery, postage, printing, pager and telephone and fees.

This expense is allocated 13.7605% to the Commercial Units and the remainder to the Residential Units.

The projected budget is has been reviewed by the Sponsor's budget expert, Aster Johnson of Manhattan Modern Management, Inc. Based upon the consumption and related Building maintenance information that the Sponsor has provided to Aster Johnson, the budget is believed to be sufficient to meet the estimated expenses for the First Year of Condominium Operation, assuming that such first year is the fiscal year commencing March 1, 2018. The budget, however, is not intended, and should not be taken, as a guarantee by anyone that the annual Common Charges or Common Expenses for the first or any subsequent year of operation of the Property by the Board will be as set forth in the budget. In fact, it is likely that the actual income and expenses for the First Year of Condominium Operation will vary from the amounts shown in the budget.

SCHEDULE B-1

March 1, 2018 – February 28, 2019

ESTIMATED UTILITY COSTS FOR RESIDENTIAL UNITS

The figures set forth on Schedule B-1 for the estimated costs of electricity usage are based upon a quotation provided by Sponsor's consultant, by Levin Engineering PLLC, 28 Dooley Street, 2nd Floor, New York, New York 11235.

Unit	Estimated Total Monthly Electric Cost	Estimated Total Annual Electrical Cost
3A-3E, 4A-4E, 5A-5E, 6A-6E, 7A-7E, 8A-8E, 9A-9E	\$ 286.69	\$ 3,440.32
10A, 10B, 10C	\$ 407.42	\$ 4,889.04
11A	\$ 303.24	\$ 3,638.96
11B	\$ 541.01	\$10,092.16

The electric cost projections presume standard usage of household appliances, dishwasher, refrigerator, washer and dryer, and for heating, cooling and lighting in the Residential Units. These estimates of electricity costs are based upon a projected rate of \$0.21 per KW/Hour. The estimates of electricity costs for Units 3A-3E, 4A-4E, 5A-5E, 6A-6E, 7A-7E, 8A-8E and 9A-9E are based on a projected usage of 1,313 kW per month and 15,754 kW per year. The estimates of electricity costs for Units 10A-10C are based on a projected usage of 1,865 kW per month and 22,384 kW per year. The estimates of electricity costs for Unit 11A are based on a projected usage of 1,388 kW per month and 16,661 kW per year. The estimates of electricity costs for Unit 11B is based on a projected usage of 3,851 kW per month and 46,208 kW per year. All estimates include service charges, taxes and allow for a reasonable inflation factor over current rates.

The cost of providing electricity is based on normal estimated use and is highly dependent on the number of people residing in a Unit and their pattern of usage. It is also subject to market variations which result in unanticipated large increases in the cost of electricity. Consumption will be affected by various and unpredictable factors including conservation measures (if any) adopted by the Condominium Board. Electric prices fluctuate, are volatile and are inherently uncertain

In the opinion of Manhattan Modern Management, Inc., 16 Penn Plaza, Suite 511, New York, New York 10001, retained by Sponsor (see Certification of Budget in Part II of the Plan), the amounts set forth in Schedule B-1 appear reasonable and adequate under existing circumstances to meet the reasonably anticipated costs to provide utility services to the Units. However, no budget item is warranted as to its accuracy, sufficiency or otherwise.

m a n h a t t a n
MODERN
m a n a g e m e n t

Licensed Real Estate Brokers

March 7, 2017

Elevation Holdings LLC
308 Malcolm X Blvd.
Brooklyn, NY 11233

COMPLIANCE WITH REAL PROPERTY LAW §339(I)

Re: Condominium Offering Plan (the “**Plan**”) for the
554 4th Avenue Condominium
554 4th Avenue
Brooklyn, New York (the “**Property**”)

Ladies and Gentleman:

All capitalized items not otherwise defined herein shall have the same meanings ascribed to them in the Plan, as amended.

The Sponsor has requested my opinion on whether the method used to determine the undivided percentage of common interest of each Unit in the Common Elements in the above referenced Condominium complies with Real Property Law Section 339-i (“**Section 339-i**”).

Our experience in the field includes the management of real estate properties for over twenty-three (23) years. We currently manage approximately thirty (30) properties, comprising approximately three hundred and forty (340) residential and commercial units.

In connection with this opinion, I have reviewed Schedule A of the Plan, the Declaration and the Floor Plans and have assumed the statements and information contained therein are correct and accurate. I have not reviewed or verified the calculations of floor areas used in determining the sizes of the Units or the Limited Common Elements.

Article Tenth of the Declaration states that “the percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and the additional factors of relative value to other space in the Condominium, the uniqueness of the Unit, the availability of Common Elements for exclusive or shared use, and the overall dimensions of the particular Unit.” Article Tenth also states that the aggregate Common Interests of all Units equal one hundred percent (100%).

Section 339-i requires that the Common Interest of each Unit be based on any one of several methods of calculation. One of these allowable methods is the method stated in Article Tenth of the Declaration (Section 339-i(1)(iv)).

Manhattan Modern Management, Inc.

16 Penn Plaza, Suite 511, New York, N.Y. 10001 • Tel: (212)799-1358 • Fax: (646) 349-5957 • www.mmmgmt.com

I have evaluated the allocation of Common Interest among the Units made by the Sponsor based on the foregoing factors and it is my opinion that the allocation of Common Interests is consistent with Section 339-i.

This opinion is confined to the matters addressed herein with respect to Section 339-i and is not intended, nor should it be construed, as an opinion on any other aspects of the Plan. Further, I assume no obligation to update or supplement this opinion to reflect any changes in statutory law or judicial precedent, or any changes in fact or circumstances that may hereafter come to our attention pertaining to the subject matter hereof.

I have no beneficial interest in the Sponsor or in the profitability of the conversion.

I consent to the incorporation of this opinion in the Plan and to the reference to my name therein in connection with this opinion.


Aster Johnson

COMMERCIAL UNITS

On completion of construction, the Building will include three (3) Commercial Units. It is currently anticipated that the Commercial Units will be used for retail purposes; however, other possible uses aside from retail may be permitted under the zoning laws. The Building has a C2-4 commercial overlay allowing for customer-focused commercial uses serving the residential community. Sponsor (and its successors and assigns) reserves the right to use the Commercial Units for any purpose consistent with the Certificate of Occupancy, or for any lawful purposes. The Commercial Units will not be restricted to its initial use.

The Commercial Unit Owner has certain special rights under the Declaration. Except to the extent inconsistent with the By-Laws or prohibited by Law, and unless there shall be a material effect on the Residential Unit Owners, the Commercial Unit Owner shall have the right, without the vote or consent of the Board to subdivide and sublet any or all of the Unit. The Commercial Units may be divided into any number of smaller Condominium Units, or combined into any number of larger Units, provided that the total allocation of common interest of the newly created Units may not be altered by such sub-division or combination; and further provided that all such subdivisions must be in conformity with applicable zoning rules and the Certificate of Occupancy for the premises. It is not anticipated that such differences in rights and obligations will have a materially adverse impact upon the Condominium.

The Commercial Unit Owner shall not be required to seek the approval of the Board of Managers of the Condominium unless such change in the use or configuration of the Unit would have a material effect on the Residential Unit Owners. Except as set forth in the preceding sentence, neither the Board nor the Residential Unit Owners will have any right to restrict or limit any lawful use of the Commercial Units. No representation or warranty is made as to who the owner or tenants of the Unit may be at any time, or as to the uses to which such Unit may be put at any time.

In addition, the Commercial Unit Owner will have an easement through and along all of the General Common Elements and Residential Common Elements to install, maintain, operate, repair and replace any and all cables, conduits, wires, apparatus and equipment as may be required in connection with telecommunications and the general operation of the Commercial Units and similar equipment. The Condominium Board and any individuals assigned by any utility company to read or maintain water meters shall have an easement through the Commercial Units to the water and electrical meter rooms. Further, any utility, cable TV or similar company that is entitled by law to install equipment in such portion of the Common Elements shall have an easement through the Commercial Units in such manner as shall be reasonably determined by the Condominium Board. Each of the foregoing easements shall be exercised in such manner as to not unreasonably disrupt the use by other Unit Owners of their respective Units. However, it is Sponsor's opinion that the foregoing rights in favor of the Commercial Unit Owner will not have a material adverse impact upon the Condominium. See the section of the Plan entitled "Rights and Obligations of Unit Owners and Board of Managers" further in Part I.

The owner of the Commercial Unit will be required to maintain heat supply to its Unit on a 24-hour a day basis so as to not create an undo heating burden on Residential Units within the building. In the event the Commercial Unit Owner fails to maintain the heat supply on such a basis, the Condominium Board shall have the power to compel compliance with this requirement. The Commercial Unit Owner is also responsible for cleaning, repair, refuse disposal and all other items of day-to-day maintenance, which would normally be considered “janitorial services”; and is further responsible for providing same at their own cost and expense so as not to impact on the services or budget of the Condominium.

The Common Charges payable by the Commercial Unit Owner shall be sufficient to cover the expenses attributable to said Unit. Since the Unit Owner is responsible for all internal repairs and maintenance, heavier wear and tear attributable to commercial use of the Commercial Units shall not impact on the budget for the Condominium. Any increase in expenses for services provided to the Residential Units, but which are not utilized by the Commercial Units, or services which are provided to the Commercial Units, but which are not utilized by the Residential Units, shall not impact the Common Charges payable by the Commercial Unit Owner or by the Residential Unit Owners, nor shall such increases be passed along as an assessment or surcharge to either party. If the Board of Managers incurs any increase in insurance premiums as a direct result of an increase in insurance risk resulting from any special use of Commercial Units, such Unit Owner shall bear the cost of any such increase in insurance premiums over the premiums that would be charged but for the extra insurance risk due to the use of such Unit.

Based upon the opinion of Manhattan Modern Management, Inc. as contained in the Plan, Sponsor estimates that the Common Charges payable by the Commercial Unit Owner are sufficient to cover the Common Expenses fairly attributable to the Unit. Any disputes between any Unit Owner and the Condominium Board will be resolved by arbitration to be conducted in New York City by the American Arbitration Association. Each party shall bear its own costs and expenses in connection with such arbitration, except that the cost of the arbitrator shall be borne by the losing party. In this regard, should the Commercial Unit Owner lose such arbitration, the cost of the arbitrator shall be borne by the said Unit Owner. If the Condominium Board should lose any such arbitration, the cost of the arbitrator shall be a Common Expense to be shared by all Residential Unit Owners in accordance with their respective Common Interests.

CHANGES IN PRICES AND UNITS

Changes in Prices

The Units will be offered at the prices set forth in Schedule A. Offering prices may be changed by a duly filed amendment to the Plan when the change in price is an across-the-board increase or decrease affecting one or more lines of Units or Unit models, or is to be advertised, or is a price increase for an individual Purchaser. However, prices and specified terms of sale may be negotiated on an individual basis and Sponsor may enter into an agreement with a Purchaser to sell one or more Units at lower prices than those set forth in Schedule A, provided that in the case of a price increase to an individual Purchaser an amendment containing the new price will be submitted to the Department of Law prior to a contract being entered into at a higher price. In the case of an individual price decrease, no amendment shall be necessary for the price to be effective. If an amendment whose sole purpose is to effect a change in price is submitted to the Department of Law for filing, and no prior amendment has been submitted to but not yet filed by the Department of Law, the amendment shall be deemed filed when submitted.

Changes in Units

Site conditions may cause variations in walls, ceilings, heights and other dimensions from those included in the Floor Plans or otherwise described in this Plan. If the layout and dimensions of a Unit does not materially deviate from the Plans and Specifications, subject to Sponsor's right to make changes necessitated by site conditions, a Purchaser will not be excused from purchasing the Unit for such reason and will not have any claim against Sponsor as a result of such non-material deviation. Sponsor will have no liability to any Purchaser nor will any Purchaser be entitled to a credit, offset or reduction in the Purchase Price for Purchaser's Unit or otherwise be relieved from any obligations under the Purchase Agreement, by virtue of an immaterial inaccuracy or error in the Floor Plans as determined by the reasonable person standard.

In order to meet the possible varying demand for number and type of Units, or to meet the particular requirements of prospective purchasers, or for any other reason, Sponsor reserves the right at any time, both before and after recording the Declaration and without the consent of Purchasers, Unit Owners or the Board of Managers, with respect to Units owned by Sponsor and for which no Purchase Agreement has been executed, to (i) change or reverse the layout of any Unit and make adjustments in interior dimensions of Units, (ii) change the number of rooms in any Unit, (iii) change the size and/or number of Units by subdividing one or more such Units into two or more separate Units, combining separate Units into one or more Units, altering boundary walls of Units, or otherwise, including, without limitation, incorporating any wall, hallway or portion thereof, space, or other area abutting a Unit or Unit(s) owned by Sponsor into one or more of said Units or otherwise, and (iv) if appropriate, reapportion the Common Interest among the Units affected by such change.

In the event Sponsor changes the size and/or number of Units, Sponsor shall increase or decrease the Common Interests appurtenant to such affected Units accordingly; however, the aggregate amount of the Common Interests of all of the Units shall remain at 100%. As a result of such a reapportionment of Common Interests of affected Units, the amount of the Common Charges and the real estate taxes and assessments payable by the Owners of such affected Units will be increased or decreased in direct proportion to changes made to Common Interests. However, the amount of the Common Charges and real estate taxes and assessments payable by the Owners of Units unaffected by these changes and for whom there has been no change in Common Interest will not be varied. Common Interest need not be reapportioned if a portion of the public hallway is incorporated into a Unit or Units as described above.

Any material change in size, dimension, floor space, Common Interest or layout of a Unit will be disclosed in an amendment to the Offering Plan. Unless all Purchasers consent, no material change will be made in unit size, layout, or percentage of common interest if a Purchase Agreement has been executed and delivered to the Sponsor for that Unit, and no material adverse change will be made in the quality of the common elements.

Once the Declaration is recorded, no change may be made in the number of Units or number of rooms within a Unit, nor may the size of any Unit be changed by subdivision or combination or alteration of boundary walls as aforesaid, nor may the Common Interest of any Unit be changed materially in size or in quality, unless the Plan is amended and if applicable, the Declaration is amended and such amendment is duly recorded; provided however, that any such alteration of the boundary walls shall not prevent necessary ingress and egress to any Unit or to any portion of any Common Elements for common use nor eliminate Building amenities such as the entrance lobby and the mailbox room. Notwithstanding anything in this Offering Plan to the contrary, if Sponsor must make material changes to size, dimension, Common Interest, floor space or layout of Units or to size, dimension, layout, quantity or quality of Common Elements, due to site conditions, governmental requirements or other unforeseen circumstances, Sponsor will amend the Plan accordingly to disclose the changes. Any Purchaser under contract to purchase a Unit whose purchase would be materially and adversely affected by such changes, will be given the right to rescind the Purchase Agreement and at least fifteen (15) days within which to exercise this right, and if rescission is exercised, will receive back the Down Payment made thereunder together with any interest earned thereon.

The provisions of the Declaration concerning combination and/or partitioning of any Unit by the Sponsor or its designee may not be modified or deleted by amendment without the written consent of the same. Sponsor shall have the power to execute any documents on behalf of the Condominium required in connection with any amendment to the Declaration or By-Laws permitted or required above or to any application or other documents required in connection with any such amendment by any administrative agencies asserting jurisdiction there over, including, without limitation, any application or documents required by the Building Department and/or the Real Estate Assessment Bureau in connection with designations of separate tax lots for the affected Units or otherwise. Nonetheless, the Unit Owners not involved in any such change and the Board of Managers shall execute promptly and without charge any documents or applications

necessary or convenient in connection with the effectuation of the provisions hereof, and by accepting the deed for his or her Unit a Unit Owner grants to the Sponsor and its designees an irrevocable power of attorney coupled with an interest to execute, deliver and/or record any amendment to the Declaration and the By-Laws and any and all documents and applications necessary or convenient to effectuate the foregoing. The form of said Power of Attorney is contained in Part II of the Plan.

No material change will be made in the size and no material adverse change will be made in the quality of the Common Elements unless all Purchasers and sixty-seven percent (67%) of the Board of Managers and fifty-one percent (51%) of the Registered Mortgagees shall have consented, and the Plan is amended to reflect such change.

INTERIM LEASES

Unsold Units may be leased to Purchasers who have executed a Purchase Agreement for such Unit at any time, both before and after the First Closing. Once a Purchase Agreement is accepted for a vacant Unit, however, and for so long as such Purchase Agreement is in effect, such Unit may only be leased to the Purchaser thereof pursuant to a lease (an "Interim Lease") on the terms set forth in this Section. The form of the Interim Lease is located in Part II of the Plan.

Interim leases will not be subject to the New York City Rent Law (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law, or the New York City Rent Stabilization Code, as such laws are presently in effect. The term of each such Interim Lease shall expire on the earliest to occur of (i) the date of Closing of Title to the Unit covered by such Interim Lease, (ii) the date fixed in the Interim Lease for the expiration of the term, (iii) the date upon which the Interim Lease is terminated at the option of Sponsor by reason of a default by the Purchaser-tenant under the Interim Lease or a casualty or condemnation affecting the Unit or (iv) the date upon which the Interim Lease is terminated by the Purchaser-tenant or Sponsor as provided below. The rent payable under the Interim Lease shall be negotiated by the parties but shall in no event exceed the maximum legal rent, if any, permitted under Applicable Laws.

An uncured default by the Purchaser-tenant under the Purchase Agreement will constitute a default under the Interim Lease. An uncured default in the performance or observance of the terms and conditions of the Interim Lease will also constitute a default under the terms of the Purchase Agreement and will permit Sponsor to cancel the Purchase Agreement in accordance with its terms. The Purchaser-tenant will be required to vacate his/her Unit within thirty (30) days after notice is sent of Sponsor's intent to cancel the Purchase Agreement, provided that the Purchaser-tenant fails to cure any such default within the applicable grace period, if any, with TIME BEING OF THE ESSENCE. However, before a default under the Interim Lease may be declared a default under the Purchase Agreement, Sponsor must obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the Purchaser-tenant unless the Purchaser-tenant has vacated the Unit.

In the event that the Purchaser-tenant should exercise any right to terminate or rescind the Purchase Agreement or Interim Lease, such termination or rescission will be contingent upon surrendering possession of his Unit and leaving the same vacant, in good condition and broom clean within thirty (30) days after he elects to terminate or rescind. He/she must also pay any rent due and payable under his/her Interim Lease. Nothing contained herein shall relieve any Purchaser of liability for damage to his/her Unit or of any other liability under the Purchase Agreement or Interim Lease.

In no event will any portion of the rental paid under an Interim Lease be credited towards the Purchase Price of the Unit subject to the Interim Lease unless such term is negotiated by

Sponsor and Purchaser.

If the Plan is abandoned, a Unit occupied pursuant to an Interim Lease shall be subject to the provisions of any Applicable Rent Laws that may be in effect with respect to such Unit at the time of such abandonment.

A person in possession who is not an owner cannot insure the Unit since he or she has no ownership interest, and the Unit cannot be doubly insured. A person who takes possession prior to closing assumes the risk of losses not covered by insurance.

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

If there are any inconsistencies between the Interim Lease and the Plan, the terms of the Plan shall govern.

PROCEDURE TO PURCHASE

Purchase Agreement

A person desiring to purchase a Unit will be required to execute, in quadruplicate, a Purchase Agreement substantially in the form set forth in Part II of this Plan, and deliver the Purchase Agreement to Sponsor together with a check equal to the sum of ten percent (10%) of the purchase price. Said check shall be drawn to the order of “Marans Weisz & Newman LLC, as Escrow Agent.” All funds received from Purchasers, whether in the form of checks, drafts, money orders, wire transfers, or other instruments which identify the payor, shall be made payable to or endorsed by Purchaser to the order of Marans Weisz & Newman LLC as Escrow Agent.

Purchasers will be afforded at least three (3) business days to review the Plan and all filed amendments thereto prior to executing a Purchase Agreement. In the event a Purchaser has not had at least three (3) business days to review the Plan and all filed amendments prior to signing and delivering a Purchase Agreement, the Purchaser may rescind within seven (7) days of delivery of an executed Purchase Agreement together with the required Deposit by giving the Sponsor written notice of such rescission by personal delivery (or if sent by mail such notice must be postmarked within the seven-day period).

If the Sponsor elects to accept the Purchase Agreement, one counterpart thereof signed by the Sponsor or a pdf version of the Purchase Agreement signed by Sponsor if the Agreement allows for same, will be returned to the Purchaser or Purchaser’s counsel within thirty (30) days of delivery of the same to the Sponsor. If the Purchase Agreement is not accepted by Sponsor by the end of such period it will be deemed rejected. Sponsor may reject any Purchase Agreement, without cause or explanation, so long as such rejection is not based upon race, creed, color, sex, national origin, ancestry, or any other ground proscribed by law. In the event of such rejection, the Purchaser’s Deposit will be promptly refunded. The Purchase Agreement will not be binding upon Sponsor until a copy executed by or on behalf of the Sponsor is delivered to the Purchaser or Purchaser’s counsel.

The Purchase Agreement is contingent upon effectiveness of the Plan. If the Plan is abandoned, Purchase Agreements will be terminated, and all monies held by Sponsor shall be returned to Purchasers and neither party shall have any further rights or obligations arising thereunder or relating thereto. The relevant escrow trust fund provisions are included in Paragraph 3 of the Purchase Agreement. The Escrow Agent shall execute the Purchase Agreement, solely as to Paragraph 3 of the Purchase Agreement, prior to delivering the Purchase Agreement, fully executed, to Purchaser.

A complete copy of the form of Purchase Agreement is included in Part II of the Plan.

Purchase Agreement is Not a Lien

Neither the Purchase Agreement nor the Deposit or any payment given for special work is a lien against the Property or the Unit. Purchaser may not record the Purchase Agreement and will be in default if Purchaser attempts to record it.

Conflicts between Plan and Purchase Agreement

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

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

Financing Contingency

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

Notwithstanding the foregoing, if the Purchaser of a Unit wishes to make the Purchase Agreement contingent on financing, Purchaser shall make a prompt application to a Sponsor Designated Lender/Broker for the Mortgage Loan through First Meridian Mortgage, having an address at 190 North 10th Street, Brooklyn, New York 11211, Tel: 718.906.6156, Attn: Chesky Fuchs, Email: cfuchs@fmm.com, within three (3) days of the Purchaser receiving the signed counterpart of the Purchase Agreement from the Sponsor.

A Purchaser of a Unit shall have thirty (30) days after the receipt of a signed counterpart of the Purchase Agreement from Sponsor to obtain a written financing commitment from the Sponsor Designated Lender/Broker. If the Purchaser does not receive a written financing commitment from Sponsor Designated Lender/Broker within said thirty (30) day period, time shall be of the essence with respect to Purchaser's obligation to notify Sponsor, in writing, within ten (10) business days after the thirty (30) day period to terminate the Purchase Agreement. Sponsor makes no representation as to the availability of any such financing. Purchasers are advised that even if they receive a financing commitment, its term may be limited and it may expire prior to the Unit Closing Date unless extended by the Purchaser. If the financing commitment expires prior the Unit Closing Date and Purchaser has made a good faith effort to extend the commitment, the Sponsor will grant the Purchaser a right of rescission. The Purchaser will be allowed ten (10) business days to exercise the right of rescission. If the Purchaser does not timely exercise this right of rescission then Purchaser shall be deemed to have waived the right to cancel the Purchase Agreement.

If a written commitment is not issued by the Sponsor Designated Lender/Broker within

the above stated thirty (30) day period, then unless Purchaser has accepted a commitment that does not comply with the requirements set forth in Section 33.1 of the Purchase Agreement, Purchaser may cancel the Purchase Agreement by giving notice to Sponsor (the "Cancellation Notice") within ten (10) business days after the Commitment Date, TIME BEING OF THE ESSENCE, in which case the Purchase Agreement shall be deemed canceled and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of the Purchase Agreement, except that the Deposit shall be refunded to Purchaser within ten (10) business days thereafter. The cancellation notice shall be accompanied by a copy of any loan refusal letter or non-complying commitment, as the case may be, issued by the Institutional Lender, if available, or if not available, provided promptly after receipt. If Purchaser fails to give the Cancellation Notice or if Purchaser shall accept a Commitment that does not comply with the requirements set forth in Section 33.1 of the Purchase Agreement, then Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive refund of the Deposit by reason of the contingency contained herein.

The Sponsor Designated Lender/Broker is not affiliated with nor is a Principal of the Sponsor, and Sponsor will not receive any compensation for any commitments issued by the Sponsor Designated Lender/Broker. The Sponsor Designated Lender/Broker charges prevailing rates and offers prevailing terms.

Balance of Purchase Price and Closing Documents

After the Plan has been declared effective, Sponsor will fix dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser that the Plan was declared effective on a certain date and setting such Purchaser's Closing Date. Such notice will be served in compliance with the regulations promulgated by the New York State Department of Law no less than thirty (30) days before the date set for the Closing of the Units. Purchasers may waive this thirty (30) day notice provision in a writing addressed to Sponsor.

Sponsor anticipates the first Closing of a Unit to occur on or about March 1, 2018. If the date of the first Closing of a Unit shall not have occurred on or before the date which is more than twelve (12) months after such date (i.e., on or before February 28, 2019), each Purchaser will be offered a right to rescind his/her Purchase Agreement and receive return of his/her Deposit.

TIME IS OF THE ESSENCE with respect to Purchaser's obligations to pay the Balance and to pay, perform or observe Purchaser's other obligations under the Purchase Agreement. Upon the occurrence of an Event of Default as defined in the Purchase Agreement, Purchaser shall have thirty (30) days from the giving of written notice of such default to cure the specified default. If the default is not cured within such thirty (30) days, TIME BEING OF THE ESSENCE, then Sponsor, in its sole discretion, may thereupon terminate the Purchase Agreement. If Sponsor so elects to terminate, the Purchase Agreement shall be deemed terminated, and Sponsor shall have the right to retain, as and for liquidated damages, the Deposit

(and any interest earned of the Deposit, if any) plus the costs incurred by Sponsor for any special work, if any, in the Unit ordered by the Purchaser. Upon the termination of the Purchase Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations under the Plan and the Agreement, and the Unit may be sold to another as though the Purchase Agreement had never been made, and without accounting to Purchaser for any of the proceeds for such sale.

If at a Purchaser's request Sponsor grants an adjournment or adjournments of the Closing in excess of five (5) days in the aggregate, Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional Deposit. See the PURCHASE AGREEMENT set forth in Part II of the Plan.

At the Closing Purchaser shall be required to sign and deliver a Power of Attorney to the Board of Managers of the Condominium covering the Unit in the form contained in Part II of the Plan and pay certain closing fees, costs and adjustments (see the section entitled "Unit Closing Costs and Adjustments"). The Purchaser will also be required to pay the New York State and New York City real property transfer tax returns, mortgage recording taxes and Sponsor's and Purchaser's attorney fees covering the sale of his or her Unit, any real estate reporting return and statement required by the Internal Revenue Code or the regulations thereunder, all other documents required by law, and all other documents reasonably required by Sponsor or required under Purchaser's Purchase Agreement. The balance of the Purchase Price is also payable at Closing. This amount shall be paid by a bank, cashier's check or certified check, drawn on or issued by a New York bank, trust company or other New York lending institution which is a member of the New York Clearing House Association, payable to Sponsor (or to any one Sponsor designates or directs in writing).

Default by Purchaser

If a Purchaser defaults in making any payments due under the Purchase Agreement or fails to execute and deliver documents, make the payments described above, or perform any of his other obligations under the Purchase Agreement, then Sponsor may at its option give written notice of default under the Purchase Agreement to Purchaser. If the default is not cured within thirty (30) days after written notice thereof, then the Purchase Agreement shall be deemed terminated and Sponsor shall be entitled to the payment due under the Purchase Agreement and any payments made thereunder including any costs for any special work ordered by Purchaser together with interest earned thereon, if any, as and for liquidated damages. Termination of a Purchase Agreement will permit Sponsor to sell the Unit to others as though the Purchase Agreement had never been made and the Purchaser shall not have any further rights against or obligations to Sponsor, the Condominium or others purchasing such Unit.

In the event the Sponsor cannot convey title to the Unit by reason other than the default of the Purchaser, all monies deposited by the Purchaser shall be returned to the Purchaser. However, Sponsor may attempt to cure its inability to convey title and if it does so, Sponsor shall be entitled to an adjournment of the Closing Date for a reasonable period of time.

The Purchase Agreement contains the terms and conditions upon which the Unit will be sold and should be read carefully by the prospective Purchaser and his or her legal or financial representative before being executed. The terms of sale and other provisions of an actual Purchase Agreement entered into between Sponsor and any Purchaser may vary from the provisions contained in the form of Purchase Agreement contained in Part II of the Plan. However, such variations shall have no effect on the provisions of any other Purchase Agreement theretofore or thereafter entered into between Sponsor and any other Purchaser nor shall such variations materially or adversely affect Sponsor's obligations as set forth in the Plan. 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.

The Escrow Agent

The law firm of Marans Weisz & Newman LLC, with an address at 29 Broadway, Suite 2400, New York, New York 10006, telephone number 212-968-0244, shall serve as escrow agent ("Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated the following attorneys to serve as signatories: Richard Marans, Daniel Weisz and Richard Newman. 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

The Escrow Agent has established the escrow account at Signature Bank, 261 Madison Avenue, New York, New York 10016, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled The 554 4th Avenue Condominium Escrow Account ("Escrow Account"). The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions.

All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Marans Weisz & Newman LLC, as Escrow Agent.

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

A complete copy of the Purchase Agreement is located in Part II of the Plan. The relevant escrow trust fund provisions are included in Section 4 of the Purchase Agreement, which must be executed by the Escrow Agent.

Notification to Purchaser

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

The Escrow Agent is obligated to send notice to the Purchaser once the Deposit is placed in the Escrow Account. If the Purchaser does not receive notice of such deposit within fifteen (15) business days after tender of the Deposit, he or she may cancel the Purchase Agreement within ninety (90) days after tender of the Purchase Agreement and Deposit to Escrow Agent. Complaints concerning the failure to honor such cancellation requests may be referred to the New York State Department of Law, Real Estate Finance Bureau, 120 Broadway, 23rd Floor, New York, New York 10271. Rescission shall not be afforded where proof satisfactory to the Attorney General is submitted establishing that the Deposit was timely placed in the Escrow Account in accordance with the New York State Department of Law's regulations concerning Deposits and requisite notice was timely mailed to the Purchaser.

Release of Funds

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

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

The Escrow Agent shall release the Deposit if so directed:

- (a) pursuant to terms and conditions set forth in the Purchase Agreement upon closing of title to the Unit; or
- (b) in a subsequent writing signed by both Sponsor and Purchaser; or

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

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

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

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

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

Waiver Void

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

Lawsuits

Any lawsuit arising out of the Purchase Agreement shall be governed by the internal laws of the State of New York, shall be brought in Kings County and shall be determined by the judge presiding at the trial without a jury (which the parties waive).

Risk of Loss

The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or

the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. The risk of loss is assumed by a Purchaser who has taken possession of the Unit prior to closing to the extent that such loss is not covered by Sponsor's insurance. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. 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 and other Unit Owners if the Declaration has theretofore been recorded and any mortgagee of Sponsor, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor.

In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title Sponsor shall notify the Purchaser within sixty (60) days of the damage to the Unit that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser thereunder, together with interest, if any, earned thereon, 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 the Plan and the Purchase Agreement, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages. If a Purchaser takes possession of a Unit prior to closing title, i.e., via an interim lease, he or she will assume the risk of loss and the obligation to repair any damage not covered under insurance already provided by the Sponsor; therefore it is advisable that Purchaser obtain casualty insurance at such time. An interim lessee assumes the risk of loss for the property that is not covered by the insurance for the Unit.

Section 71-a(3) of the Lien Law provides protections for Purchasers where the contract of sale by its terms provides for or is incidental to a contract providing for the construction of the subject building, or where a Deposit pursuant to a contract of sale is not deposited or kept in an escrow account as mandated by law. Sponsor will not use any Deposit towards the construction of the Building and will deposit and maintain all Deposits in the Escrow Account as described above in this Procedure to Purchase section, and therefore be in compliance with Section 71a(3) of the Lien Law and any other provision of law applicable to Purchasers' Deposits.

Delay in First Closing

Sponsor anticipates that the First Unit Closing will occur on or about March 1, 2018. Purchasers will be offered a right of rescission if: (i) the actual date of closing of title to the first unit; or (ii) the projected date of closing of title to the first unit occurs later than February 28, 2019, twelve (12) months after the projected date for the first closing. If the Plan is amended to

provide for a later projected date for the first closing, purchasers will be entitled to an offer of rescission if the first closing occurs more than twelve (12) months beyond that amended, later date. However, if the first closing occurs before February 28, 2019, Sponsor may schedule the closings of title to other units significantly later than such date. Unless your Purchase Agreement contains an outside closing date, Sponsor is not obligated to schedule your closing within any specified time frame or to ensure that closing of title to your Unit will occur by any date certain. PROSPECTIVE PURCHASERS SHOULD THEREFORE CAREFULLY CONSIDER SUCH RISKS IN THEIR DETERMINATION AS TO WHETHER TO PURCHASE A UNIT.

As in any new construction project, 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 Residential Units. Accordingly, the First Residential Closing may occur sooner or later than the projected First Year of Condominium operation, and closing to certain Residential Units may occur substantially before or after closing for other Residential Units.

The First Year of Condominium operation is estimated to be March 1, 2018 through February 28, 2019. As in any new construction project, 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 Residential Units. Accordingly, it is a special risk of this Offering Plan that the First Unit Closing may occur sooner or later than the projected First Year of Condominium operation, and closing to certain Residential Units may occur substantially before or after closing for other Residential Units.

FinCEN Geographic Targeting Order

Pursuant to the Geographic Target Order (the “**Order**”) issued by the Director of the Financial Crimes Enforcement Network (“**FinCEN**”), title companies are now required to collect and report information regarding purchasers in transactions where: (1) the purchaser is a legal entity as defined in the Order; (2) the purchaser purchases residential real property located in the Boroughs of Brooklyn, Queens, Bronx, Manhattan and Staten Island; (3) the total purchase price is in excess of Three Million Dollars (\$3,000,000.00) in the Borough of Manhattan or the total purchase price is in excess of One Million Five Hundred Thousand Dollars (\$1,500,000.00) for the Boroughs of Brooklyn, Queens, Bronx or Staten Island; (4) such purchase is made without a bank loan or other similar form of external financing; and (5) the purchase is made, at least in part, using currency or a cashier’s check, a certified check, a traveler’s check, a personal check, a business check, or a money order in any form, or a funds transfer. This affects all residential real property closings meeting the above criteria and occurring on or after September 22, 2017 for so long as the Order remains in effect. A copy of the Order is available here:

<https://www.fincen.gov/sites/default/files/shared/Real%20Estate%20GTO%20Order%20-%208.22.17%20Final%20for%20execution%20-%20Generic.pdf>.

Any conflict between the Plan and the Purchase Agreement will be resolved according to the terms of the Plan.

ASSIGNMENT OF PURCHASE AGREEMENTS

Purchaser may not assign the Purchase Agreement without first obtaining the prior written consent of Sponsor, which consent may be granted or withheld in Sponsor's sole and absolute discretion. If a Purchaser desires to assign its rights under the Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in the Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is permitted by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change permitted by Sponsor (in its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$1,000.00 made payable to Marans Weisz & Newman LLC (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's Closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the Closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to terminate the Purchase Agreement or excuse Purchaser from any of its obligations under the Purchase Agreement or give rise to any claim for damages against Sponsor. Any purported assignment by Purchaser in violation of this Section shall be a default by Purchaser; entitling Sponsor to the default remedies set forth in the Section of the Plan entitled "Procedure to Purchase," and shall be voidable at the option of Sponsor.

Notwithstanding the provision above, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all of Purchaser's rights under the Purchase Agreement to a "Purchaser Affiliate" or to member(s) of Purchaser's "Immediate Family Members", provided that any such assignment is made without consideration and otherwise in accordance with the provisions and procedures set forth in herein. For purposes of this provision: (i) "Purchaser Affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing is controlled by or under common control with Purchaser; (ii) "Immediate Family Members" means Purchaser's spouse, domestic partner, children, grandchildren, parent, grandparent, brothers or sisters, stepchildren and/or stepparent; and (iii) "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

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

EFFECTIVE DATE

Sponsor's offer to sell the Units is contingent upon the Plan being declared effective and compliance with the relevant conditions and time periods set forth in the Plan.

The Plan may be declared effective by (i) an amendment to the Plan or (ii) by personal service of notice on every Purchaser or by commencement of service by mail in the manner required by 13 NYCRR Section 20.1 (d) stating that the Plan is declared effective and submitting an amendment conforming to Section 20.5 (e) to the Department of Law within five (5) days confirming that the Plan was declared effective on a specified date. Closing of the first Unit shall not occur until the Plan is declared effective and the effectiveness amendment is accepted for filing by the Department of Law.

The Plan may not be declared effective until bona fide Purchasers, including investors, have signed Purchase Agreements for at least fifteen percent (15%) of the Units offered under the Plan. For this plan, six (6) Units constitute fifteen percent (15%) of the Units offered.

The Plan will not be declared effective based on (i) Purchase Agreements signed by Purchasers who have been granted a right of rescission that has not yet expired or been waived; or (ii) Purchase Agreements where the Purchaser was not afforded the seven (7) days period to rescind the Purchase Agreement or the three (3) business day period to review the Plan and all filed amendments in accordance with the provisions set forth above in the section of the Plan entitled "Procedure to Purchase"; or (iii) Purchase Agreements with any Purchaser who is the Sponsor, the selling agent, the managing agent or is a principal of the Sponsor, the selling agent, the managing agent or is related to the Sponsor, the selling agent, the managing agent or to any principal of the Sponsor or the managing agent by blood, marriage or adoption or as a business associate, an employee, a member, 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 Department of Law establishing that the Purchaser is bona fide.

The Plan must be declared effective when Purchase Agreements are executed and accepted by Sponsor for eighty percent (80%) or more of the Units offered under the Plan. Thirty-two (32) Units constitute approximately eighty percent (80%) of the Units offered under the Plan.

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 Unit Closing, regardless of whether the Declaration has been recorded.

The Plan may be abandoned by Sponsor, at its sole option, at any time before it is declared effective. If the Plan is to be abandoned after filing and the Sponsor has accepted Purchase Agreements, the Sponsor shall promptly submit an amendment to the Department of

Law together with form RS-3 as promulgated by the Department of Law. If payments under Purchase Agreements have been received, the amount of such funds shall be returned to the Purchasers by the Escrow Agent within five (5) business days after the amendment abandoning the Plan has been accepted for filing. If there are no outstanding Purchase Agreements, the Sponsor need not submit an amendment but shall submit a form RS-3 to the Department of Law.

Once the Plan has been declared effective or executed Purchase Agreements for eighty percent (80%) of the Units have been executed and accepted by Sponsor, the Plan may not be abandoned unless one of the following events occur:

- (i) There is a title defect which cannot be cured without litigation or cannot be cured for less than a stated amount which shall not be less than one-half (1/2) of one percent (1%) of the total offering amount;
- (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 (1/2) of one percent (1%) of the total offering amount; or
- (iii) The taking of any material portion of the Property by condemnation or eminent domain. In calculating such amount Sponsor shall not include attorney's fees or title defects or determinations of any authority or regulatory association existing on the date of presentation of the Plan and are either known to the Sponsor or are a matter of public record.

TERMS OF SALE

The terms "Closing of Title" or "Closing" as used herein means the transfer of ownership of a Condominium Unit from Sponsor to the Purchaser(s) thereof.

The Purchase Agreement is contingent upon the effectiveness of the Plan. If the Plan is abandoned, all Purchase Agreements will be cancelled and all Down Payments, together with any interest earned, will be refunded.

Once the Plan has been declared effective, the Sponsor will fix the dates for closing title to all Units for which Purchase Agreements have been executed by serving notice on each Purchaser stating the date of the first Closing and setting such Purchaser's Closing Date. Such notice will be served no less than thirty (30) days before the date set for the Closing of each Unit.

At Closing, Sponsor will execute and deliver to each Purchaser a bargain and sale deed with covenant against grantor's acts substantially in the form set forth in Part II of the Plan and in proper form for recording. Each Unit and its appurtenant Common Interest will be conveyed free and clear of all liens, encumbrances and title exceptions other than those described below and the proposed Unit Deed contained in Part II of the Plan.

Permitted Exceptions

Title to each Unit will be subject to the following exceptions (the "Permitted Exceptions"):

1. Rights of tenants or persons in possession, if any;
2. Standard exceptions contained in the title report;
3. Taxes, tax liens, tax sales, water rates, sewer rents and assessments set forth herein.
4. AS TO THE BUILDING: Any statement of facts which a subsequent survey of would disclose provided that such additional statement of facts do not render title unmarketable;

AS TO THE UNIT: With respect to Condominium Unit No. ____ the title to which is to be insured herein, policy excepts any state of facts which an accurate survey would disclose. Policy insures, however, that any encroachment of the Unit onto other Units or onto any part of the common elements may remain undisturbed as long as the Unit insured hereunder exists.

5. Covenants, conditions, easements, leases, agreements of record, etc., more fully

set forth herein:

A. Zoning Lot Description and Ownership Statement made by 4 AVE BU LLC dated 10/18/2016 and recorded on 11/9/2016 as CRFN 2016000395462, affects Block 1046, Lot 37.

B. Zoning Lot Description and Ownership Statement made by 4 AVE BU LLC dated 11/20/2014 and recorded on 1/10/2015 as CRFN 2015000011716, affects Block 1046, Lot 37.

6. The following Mortgages affect the property:

A. None.

7. The following collateral Assignments of Leases and Rents affect the property:

A. None.

8. The following UCC-1 Financing Statements affect the property:

A. None.

A Closing will take place only after the issuance of a temporary or permanent certificate of occupancy for the entire project.

Purchasers shall be given an opportunity to inspect the Unit prior to Closing. Any work remaining to be done in the Unit pursuant to the Plan and/or the Purchase Agreement shall be itemized on an "Inspection Statement," a form of which is contained in Part II of the Plan, signed by both Sponsor and Purchaser. Sponsor shall be obligated to complete the items on the Inspection Statement within a reasonable time after Closing. However, if Sponsor agrees in writing to complete any items on the Inspection Statement prior to Closing, Purchaser must re-inspect the Unit on the day prior to Closing to inspect and sign off on all items Sponsor agreed to complete. No open items of work will be discussed at the Closing itself.

With the exception of items Sponsor agrees in writing to complete prior to the Closing, Sponsor's failure to complete any of the items listed on the Inspection Statement shall not be grounds to cancel or postpone the Closing.

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

The Declaration, By-Laws and Floor Plans for the Condominium and such other

documents, as required by law, will be recorded or filed (as the case may be) in the New York City Register prior to the first conveyance of title to a Unit in accordance with the New York Condominium Act and any other applicable State and local law.

In the event the Closing does not take place on the Closing Date, for any reason other than circumstances completely within Sponsor's sole control (i) the apportionment of those items set forth in the Purchase Agreement shall be made as of the originally established Closing Date rather than as of the date the Closing actually occurs, (ii) Purchaser shall pay Sponsor at Closing interest on the unpaid balance of the purchase price from the originally established Closing Date to the actual Closing Date an amount equal to 0.04% of the purchase price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date), which is 14.6% per annum; and (iii) Purchaser shall pay Sponsor's counsel \$500.00 for each adjournment. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so.

In the event of a default by Purchaser in Purchaser's obligations under the Purchase Agreement, not cured within any applicable grace period, the Down Payment and any interest thereon may be retained by Sponsor as liquidated damages.

If applicable prior to Closing, Sponsor will procure the Real Property Transfer Gains Tax Tentative Assessment and Return (or Statement of No Tax Due). In general, Sellers are obligated to pay the transfer taxes. However, Purchasers will be required to pay all transfer taxes due at Closing and comply with the requirements of the New York State Department of Taxation and Finance.

At Closing, each Purchaser will execute a Power of Attorney in the form provided in Part II of the Offering Plan (and deliver said instrument to the Sponsor or Purchaser's title company for recording), designating the Board of Managers as his or her Attorney in fact, coupled with an interest for, but not limited to, the purpose of managing, selling, mortgaging, leasing, voting or otherwise dealing with any Unit acquired by the Board of Managers in accordance with any of the provisions of the By-Laws and for purposes consistent with the implementation of the Offering Plan. The execution of a Power of Attorney is required to effectuate the Closing. The failure of Purchaser to execute a Power of Attorney at Closing shall constitute a default under the Purchase Agreement.

At Closing, Sponsor will deliver and assign to Purchaser any manufacturers' warranties (to the extent available and assignable) with respect to any equipment and appliances installed by Sponsor in the Unit and the receipt by Purchaser of any subcontractors' warranty certificates for heating and plumbing relating solely to the Unit, if any, to the extent made by such subcontractors and to the extent such warranties are available. Sponsor will also assign to the Board of Managers any warranties available and assignable with respect to all equipment and appliances and heating, plumbing and roofing installed in the Common Elements.

Sponsor has not obtained any construction financing to construct the Building. However, if such construction financing is obtained prior to completion, Sponsor will pay, satisfy and otherwise comply with the terms of the construction loan documents. If mortgages or construction loans will not be satisfied at or prior to the closing of the first unit, the Construction Lender must consent to the formation of the Condominium, agree to subordinate its liens to the Condominium Declaration, and acknowledge that its mortgage liens will be limited to Unsold Units. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before a Construction Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant payment as provided in the construction loan documents. There will be a minimum release price set by the Construction Lender for the Construction Lender to release its lien from the Unit being sold. The Construction Lender has set no limits or requirements for Sponsor to sell rather than rent Units.

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

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

If ordered by Purchaser, the issuance at Closing of a commitment by a title insurance company licensed to do business in the State of New York, will insure that the Condominium was validly formed pursuant to the Condominium Act and that the Purchaser has good and insurable fee title in the Unit, free and clear of all liens and encumbrances, except as set forth herein and except for any mortgage that a Purchaser obtains to purchase the Unit, and subject to the provisions of the Declaration and By-Laws. See the next section of this Plan for the estimated cost of such title insurance.

UNIT CLOSING COSTS AND ADJUSTMENTS

At Closing, each Purchaser shall be required to pay certain costs and expenses. The following is a list of the types and amounts of costs and expenses Purchasers should expect to pay. Estimates for title expenses are provided by Downtown Abstract and are based (as are all of the following items), on current rates and charges which are subject to change without prior notice:

Title Insurance

If a Purchaser elects to obtain fee title insurance, the Purchaser will pay the premium therefor which will vary depending upon the purchase price and whether or not a mortgage title policy is obtained simultaneously with the fee title policy. Title insurance rates are set by the New York Board of Title Underwriters and filed with the New York State Insurance Department. The Purchaser is free to obtain title insurance from any company of their choice without incurring a penalty.

For illustrative purposes only, a Purchaser buying a Unit for \$500,000.00 would pay a premium of \$1,499.00. If that Purchaser obtained a mortgage in the principal amount of \$450,000.00, there would be an additional charge of \$405.00 for a total of \$1,904.00.

The current rate for fee title insurance alone for a Unit (i.e., no mortgage title insurance) is pursuant to the bulk rate schedule applicable to new condominium projects filed with the New York State Department of Insurance, which is seventy (70%) percent of the Zone 2 Basic Rate for Owner's Policies:

The Owner's Policy Basic Rate is \$402.00 for the first \$35,000.00 of fee insurance. Basic Premiums then increase as follows:

<u>Fee Amount</u>	<u>Premium</u>
\$35,001 – \$50,000	\$6.67/\$1,000
\$50,001 – \$100,000	\$5.43/\$1,000
\$100,001 – \$500,000	\$4.36/\$1,000
\$500,001 – \$1,000,000	\$3.98/\$1,000
\$1,000,001 – \$5,000,000	\$3.66/\$1,000
\$5,000,001 – \$10,000,001	\$3.25/\$1,000
\$10,000,001 – \$15,000,000	\$3.07/\$1,000
\$15,000,001 – up	\$2.76/\$1,000

If a Purchaser elects to obtain mortgage title insurance simultaneously with a policy for fee title insurance, the premium for the mortgage policy will be at "simultaneous rate" with the premium for the mortgage title insurance computed using the "Bulk Rate" schedule as described below. The premium on the amount of the loan policy that does not exceed the fee policy is

calculated at 30 percent (30%) (the “simultaneous rate”) of seventy percent (70%) (the “bulk” rate) of the Basic Zone 2 – Loan Policy scheduled as described below. The premium for the first \$35,000.00 of mortgage insurance up to the amount of fee policy is \$344.00. The “Bulk Rate” Premiums then increase as follows:

<u>Fee Amount</u>	<u>Premium</u>
\$35,001 – \$50,000	\$5.55/\$1,000
\$50,001 – \$100,000	\$4.54/\$1,000
\$100,001 – \$500,000	\$3.64/\$1,000
\$500,001 – \$1,000,000	\$3.31/\$1,000
\$1,000,001 – \$5,000,000	\$3.05/\$1,000
\$5,000,001 – \$10,000,001	\$2.71/\$1,000
\$10,000,001 – \$15,000,000	\$2.55/\$1,000
\$15,000,001 – up	\$2.31/\$1,000

Purchasers are free to use the title company of their choice at no additional cost. Downtown Abstract Corp. at 1010 Northern Boulevard, Suite 232, Great Neck, New York 11021, has updated the title search and submitted the title report to the Attorney General of the State of New York with respect to this Offering Plan. There is no relation between the principals of Downtown Abstract Corp. and the Sponsor or Attorney for the Sponsor.

Transfer Taxes and Recording Fees

Fees for recording the Unit Deed, the Power of Attorney in favor of the Board of Managers and any mortgage the Purchaser obtains to finance the purchase of his or her Unit are stated in this section. The current recording fees of \$42.00 for each instrument including the first page, plus \$5.00 per each additional page including cover sheets, a filing fee of \$125.00 for the accompanying RP5217NYC form, and any service fees charged by Purchaser’s title insurance company in connection with such recordings and filings shall be payable by Purchaser.

Sellers in general are obligated to pay the transfer taxes. However, as is customary in condominium offerings, Purchasers shall be responsible for the payment at closing of all New York City Real Property Transfer Tax and New York State Real Estate Transfer Tax. The New York City Real Property Transfer Tax (the “RPT”) for the purchase of a single residential unit is currently one percent (1%) of the purchase price if such purchase price is \$500,000.00 or less, and 1.425% if such purchase price is over \$500,000.00 or more. The New York State Real Estate Transfer Tax (the “NYS Tax”) for the purchase of a single residential unit is currently \$2.00 for every \$500.00 (or part thereof, rounded up to the nearest \$500.00) of the purchase price. For purposes of calculating the taxes payable, the amounts of such taxes will be included in the consideration subject to such tax. In order to compute the transfer taxes payable:

- (i) Multiply the purchase price by the RPT tax rate to compute the tentative RPT tax due;

- (ii) Multiply the purchase price by the NYS tax rate to compute the tentative NYS tax due;
- (iii) Add the tentative RPT tax and tentative NYS tax to the purchase price;
- (iv) Multiply (iii) by the RPT tax rate to determine the RPT tax payable;
- (v) Multiply (iii) by the NYS tax rate to determine the NYS tax payable.

Mansion Tax

Purchasers are advised that New York State imposes an additional transfer tax upon Purchasers in an amount equal to 1% of the consideration for a Unit where the consideration for the Unit is \$1,000,000 or more (the “Mansion Tax”). Purchasers of Units where the consideration (including the purchase price itself plus the aggregate Transfer Taxes payable by Purchaser) is \$1,000,000 or more thus will be obligated to pay the Mansion Tax at closing. Sponsor makes no representation regarding the calculation of the Mansion Tax or of the “consideration” upon which the New York State taxing authorities may base the Mansion Tax and shall have no liability with respect thereto. Purchasers should consult with their own counsel and/or tax advisors.

Mortgage Related Costs

Purchasers obtaining mortgage loans are also advised that they will be responsible for the payment of all closing costs and expenses in connection therewith in amounts determined by the lender. These costs customarily include origination fees (or “points”), commitment fees, fees for credit checks, mortgage title insurance, lender’s attorneys’ fees and appraisal fees. Also a Purchaser obtaining a mortgage may be required by the lending institution to deposit monthly with the lending institution, commencing with the Closing Date, an escrow for the payment of annual real estate taxes and insurance premiums. The amount of such escrow deposit to be made at Closing will depend on the number of months remaining between the closing of title and the date these amounts are next due to be paid and the estimated amounts then payable, as well as the custom and practice of the particular lender involved.

To the extent that the Purchaser is entitled to any credit against the mortgage recording tax by reason of any prior mortgage against the Unit or the Property, the Purchaser shall pay to Sponsor at the Closing for such Unit the amount of any such credit, if applicable. If the Purchaser obtains a mortgage loan, the Purchaser will pay Sponsor an amount equal to the partial mortgage tax credit which may be available pursuant to Section 339-ee(2) of the New York State Condominium Act. If Purchaser Lender assumes or consents to the assignment of a mortgage lien encumbering only such Purchaser’s Unit and as a result is entitled to an exemption of all or a portion of the mortgage tax which would have been available to the Purchasers and shall pay to Sponsor the amount of such exemption.

In the event the credit under Section 339-ee(2) is not available and the assignment exemption is provided, the Sponsor, at its own discretion, may utilize the exemption to provide a

discounted closing cost to the Purchaser upon which the Purchaser would be responsible for the legal fees in connection with obtaining such exemption and at no time would such fees exceed the amount of tax payable by Purchaser to the taxing authority has such an exemption not been made available. The mortgage tax is currently 2.05% less \$30.00 of any mortgage obtained by the Purchaser of less than \$500,000.00 and 2.175% less \$30.00 for mortgages of \$500,000.00 or more. Of this amount the lender pays a portion of the mortgage tax equal to 0.25% of the mortgage amount. The Condominium Act credit described above is against the mortgage tax payable by Purchaser.

Common Charge and Real Estate Tax Adjustments

All real estate taxes and Common Charges attributable to a Unit paid by Sponsor for any period of time during which the Unit Owner will own the Unit, shall be adjusted between Sponsor and Purchaser as of the Closing Date.

If a Unit closes during the 2018/2019 tax year (i.e., the tax year running from July 1, 2018 to June 30, 2019), it is possible the Unit will not be separately assessed for real estate taxes for that tax year by that Unit's closing date. In such event, the adjustment for real estate taxes will be based on the Unit's proportionate share of the real estate taxes for the Property, which shall be obtained by multiplying the taxes payable on account of the Property for that year by the Common Interest attributable to the Unit.

If separate tax assessments have not been made for individual units prior to the closing of title to a Unit, Sponsor will collect from each Purchaser at closing, and will place in escrow in a separate account established by the Sponsor for that purpose, an amount equal to the Unit's estimated proportionate share of the real estate taxes projected to be due for the entire Property for the half of the tax year next commencing after the closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes), based on the method of allocation described above. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, Sponsor shall collect at closing Purchaser's proportionate share of taxes for the upcoming half and shall deposit the same in the account described above. With respect to the balance of the estimated taxes due for the next applicable tax period, the Board of Managers is authorized by the by-laws, and shall be obligated to collect monthly escrows from Unit Owners with their Common Charges based upon the estimated tax bill for the entire Property and the then current tax rate deposit the same in the tax escrow account. At the time taxes are due and payable, Sponsor shall pay out of Sponsor's own funds, Sponsor's proportionate share of the Property tax bill allocable to the Unit(s) Sponsor then owns, based on the allocation method described above, and the Board of Managers shall be obligated to cause the release to Sponsor of the appropriate amount of escrowed tax funds in the tax escrow account for Sponsor's use in paying the share of taxes attributable to Units that have been sold and closed to other Unit Owners.

If the actual taxes due for any period for which Sponsor collected escrows are higher than

the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. Sponsor will remain liable for all real estate taxes attributable to Sponsor's Units until Sponsor sells and conveys those Units. If any Unit Owner fails to pay a Unit's pro rata share of real estate taxes when due, by Common Charge billing, special assessment billing, or both, the Board of Managers will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges.

If the actual taxes due for any period for which Sponsor collected escrows are lower than the amount collected and held in escrow, the Board of Managers shall pay the Unit Owners their proportionate share of any excess. If the Sponsor collected then Sponsor has to pay or if the Board collected then the Board has to pay.

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

Closing Counsel Fees

Sponsor's Condominium Counsel's legal fee in the amount of \$2,000.00 per Unit must be paid by all Purchasers. Purchasers will also pay \$250.00 for the preparation of ACRIS New York City and State transfer tax forms.

The following additional charges may apply:

- i. \$500.00 if the Closing is not held at Sponsor's attorneys' offices.
- ii. \$500.00 for each adjournment of the Closing.
- iii. \$500.00 if the Closing is held outside New York City.
- iv. \$1,000.00 to attorneys for Sponsor for the preparation of a letter of default.
- v. \$450.00 if a Purchaser shall obtain mortgage financing through any lender other than the Sponsor Designated Broker/Lender to defray the additional costs associated therewith.
- vi. \$1,000.00 for an assignment agreement, if requested by Purchaser and provided Sponsor has consented thereto.
- vii. \$1,000.00 for preparation of Interim Lease Agreement.

Professional Fees

Purchaser shall have sole responsibility for payment of all professionals, including

attorney(s), employed or retained by Purchaser.

Working Capital Contribution

Purchasers shall also be required to pay at Closing two (2) months of common charges as a contribution to the Working Capital Fund. This fund shall be used to create an account to set aside funds for future capital expenses.

Example of Typical Closing Costs

The following is a numerical example of all closing costs for Unit 7D based on the presumptions set forth below and assuming current rates and charges:

Assuming that a Purchaser closes timely and incurs no penalties under the Purchase Agreement, the closing costs for Unit 7D with a purchase price of \$580,000.00 and assuming a mortgage of \$464,000.00 will be approximately:

Title Insurance Fee:	\$ 2,571.10
Loan Premium:	\$ 1,905.56
Recording Fees:	\$ 750.00
Transfer Taxes - New York City:	\$ 8,415.84
Transfer Taxes - New York State:	\$ 2,362.34
Mortgage Recording Tax:	\$ 8,322.00
Working Capital Fund:	\$ 800.14
Sponsor's Attorney's Fee:	\$ 2,000.00
Pertaining to Purchaser financing:	\$ 450.00
ACRIS Preparation Fee:	\$ 250.00
 Total Estimated Closing Costs:	 \$27,826.98

The entire contents of this section entitled "Unit Closing Costs and Adjustments" as the same may be revised or amended shall be deemed incorporated in the Purchase Agreement for each Unit.

RIGHTS AND OBLIGATIONS OF THE SPONSOR

Sponsor is retaining the unconditional right to rent rather than sell Units in the Building that are being offered under this Plan after the Plan is consummated. Sponsor will endeavor in good faith to sell at least fifteen percent (15%) of the Units, but makes not representation that it will execute Purchase Agreements to sell more than fifteen percent (15%) of the Units.

Indemnification

Sponsor is obligated to defend any suits or proceedings arising out of Sponsor's acts or omissions under the Plan and applicable law with respect to the Offering. Sponsor will indemnify and hold the Board of Managers and the Unit Owners harmless from any such suits or proceedings.

The Condominium shall assume the performance of all obligations (including payment obligations) of the Sponsor, if any, accruing on or after the date of closing of title to the first Unit pursuant to the Plan, under the labor, service and maintenance agreements in effect on such date which have been assigned to the Condominium pursuant to the Plan, and shall indemnify and hold Sponsor harmless from and against any and all claims, liabilities, costs and expenses arising of or with respect to such agreements or with respect to the Property accruing on or after such date.

Sponsor's Obligations Survive

All representations under the Plan, all obligations pursuant to the General Business Law, and such additional obligations under the Plan that are to be performed subsequent to the Closing Date will survive delivery of the deed.

Operating Expenses

Sponsor agrees to pay all Common Charges, special assessments and real estate taxes with respect to all Unsold Units imposed by Board of Managers in accordance with this Plan. Sponsor represents that it has the financial resources to meet its obligations with respect to Unsold Units. Sponsor expects to fund its financial obligations to the Condominium from the income from projected sales and if necessary, from the personal financial assets of Sponsor's principal. Except as specifically set forth herein, no bond or other security has been furnished to secure Sponsor's obligations hereunder, including, but not limited to, Sponsor's obligations to obtain a permanent Certificate of Occupancy. Nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board of Managers. Sponsor agrees that during the Sponsor Control Period it will, in its capacity as the Board of Managers, enforce such obligations when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

Notwithstanding any disclosure to the contrary in this Plan, Sponsor is reserving the right to delay the collection of Common Charges until such time into the future. During any such period of delay, the Sponsor will timely pay all expenses of the Condominium, including, but not limited to, insurance premiums and any reserve fund payments required by lenders. Such expenses shall not include individual unit owner expenses such as real estate taxes, utility charges, etc. Upon commencement of collection of Common Charges, there will not be an assessment for any item in the approved budget for the Condominium. Regardless of the delay in collection of Common Charges, Sponsor shall remain obligated to update the budget for the Condominium as required by Department of Law governing regulations. In the event Sponsor elects to delay the collection of Common Charges, Sponsor shall disclose such fact in the closing notice or statement to Purchasers. Thereafter, Sponsor shall also disclose such fact in the post-closing amendment to the Offering Plan as a benefit to subsequent purchasers. Such amendment shall also disclose the anticipated period of delay. Prior to commencing the collection of Common Charges, Sponsor will notify all unit owners by written notice of the expiration of the delay period. Notice shall be given to owners in writing at least thirty (30) days prior to the commencement of collection of Common Charges. Thereafter, Sponsor will disclose such fact in the next substantive amendment to the Offering Plan as a benefit to subsequent Purchasers.

Sponsor reserves the right to use its majority vote on the Board to cause a refund to be issued to Unit Owners, including Sponsor, for Common Charges collected pursuant to an annual Condominium operating budget which are in excess of actual Condominium operating expenses.

Casualty Insurance

Sponsor shall procure fire and casualty insurance, as set forth in Schedule B, pursuant to an agreed amount replacement value policy or in an amount sufficient to avoid co-insurance, as reflected in Schedule B. Such insurance will provide that each Unit Owner is an additional insured and that there will be no cancellation without thirty (30) days' notice to the Board of Managers and Unit Owners. The insurance policies will also contain waivers of subrogation, waivers of invalidity due to acts of insured and Unit Owners and waivers of pro rata reduction of liability of the insurer due to other insurance carried by individual Unit Owners. Sponsor shall be reimbursed for the cost of such insurance premium(s) by the Condominium.

Restoration after Casualty

The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, the Purchase Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. 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 and other Unit Owners if the Declaration has theretofore been recorded and any mortgagee of Sponsor, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor.

In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, to notify the Purchaser within sixty (60) days of the damage to the Unit, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, the Purchase Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser thereunder, together with interest, if any, earned thereon, 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 the Plan and the Purchase Agreement, except that if Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages. If a Purchaser takes possession of a Unit prior to closing title, i.e., via an Interim Lease, he or she will assume the risk of loss and the obligation to repair any damage not covered under insurance already provided by the Sponsor; therefore it is advisable that Purchaser obtain casualty insurance at such time. An interim lessee assumes the risk of loss for the property that is not covered by the insurance for the Unit.

Dissolution of Sponsor

In the event of the dissolution or liquidation of the Sponsor or the transfer of ten (10) or more units or twenty percent (20%) or more of the total number of Units in the Condominium, whichever is less, the principals of the Sponsor will provide financially responsible entities or individuals who will assume the status and all of the obligations of the Sponsor for those Units under the Offering Plan, applicable laws or regulations.

Construction Financing

Sponsor has not obtained any construction financing to construct the Building. Sponsor will pay, satisfy and otherwise comply with the terms of the construction loan documents. However, if such construction financing is obtained prior to completion, the Construction Lender must consent to the formation of the Condominium, agree to subordinate its liens to the Condominium Declaration, and acknowledge that its mortgage liens will be limited to Unsold Units. At least fifteen percent (15%) of the Units must be under Contract to bona fide Purchasers counting toward effectiveness before a Construction Lender will subordinate its lien. In addition, the Unit and each subsequent Unit being conveyed and its appurtenant Common Interest will be released therefrom by partial release upon payment of the relevant payment as provided in the construction loan documents. There will be a minimum release price set by the Construction Lender for the Construction Lender to release its lien from the Unit being sold.

Completion of Construction

Sponsor is obligated to build and complete the Condominium in accordance with the Building Plans and Specifications identified in the Plan, subject to Sponsor's right to substitute equipment or materials of equal or better quality for construction and design and make modifications in layout or design; provided however, that Sponsor does not:

- (i) Substitute equipment or materials of lesser quality or design; or
- (ii) change the size, location of Buildings or Units other improvements or Common Elements if such changes affect the percentage of Common Interests or adversely affect the value of any Unit to which title has closed or for which a Purchase Agreement has been executed and is in effect unless all affected Unit Owners and contract vendees consent in writing to such change, except as more specifically provided in the section of this Plan entitled "Changes in Prices and Units."

Sponsor will install carbon monoxide detectors as required in all New York City multiple dwellings.

Certificate of Occupancy

Prior to the closing of title to the first Unit, Sponsor shall have obtained a temporary or permanent Certificate of Occupancy for the entire Condominium. Sponsor anticipates on being able to obtain a permanent Certificate of Occupancy ("PCO") and all necessary permits for all elements of the Condominium within two (2) years of closing of title to the first Unit and, prior to the issuance of a PCO will cause any expiring temporary Certificate of Occupancy ("TCO") to be extended. Purchasers are advised that in New York City, newly constructed and newly renovated buildings are sometimes offered as condominium projects without a final certificate of occupancy covering the entire building but with only a TCO, and sometimes with several successive TCOs. Certificates of occupancy are generally governed by Section 301 of the New York State Multiple Dwelling Law and local building codes and rules. Both TCOs and PCOs are issued by the New York City Department of Buildings ("DOB"). A TCO is intended to indicate that the property conforms substantially to the DOB approved plans and specifications, and to the requirements of all applicable laws, rules, and regulations for the uses and occupancies specified in the TCO. No change of use or occupancy shall be made unless a new certificate of occupancy is issued. All TCOs have an expiration date. A TCO typically expires ninety (90) days after the date of issuance. When a TCO expires and is not renewed, it may be difficult or impossible to buy insurance, refinance, or sell units. In New York City, it is common for Sponsors to commence unit closings when some or all units are covered by a TCO rather than a PCO. Sponsor anticipates this scenario may occur. Sponsor and its principals will undertake the responsibility for extending each TCO received prior to the expiration thereof, and ultimately for obtaining a PCO covering the entire Building within two (2) years from the date of the issuance of the first TCO. However, Sponsor and its principals make no representation or guarantee that

DOB will issue the PCO within such two (2) year period. NOTWITHSTANDING THE FOREGOING, SPONSOR AND ITS PRINCIPALS ARE OBLIGATED TO PROCURE THE FINAL CERTIFICATE OF OCCUPANCY FOR THE ENTIRE BUILDING, AND SHALL EXERCISE BEST EFFORTS TO OBTAIN THE FCO WITHIN SUCH TWO YEAR PERIOD WHILE KEEPING THE TCO CURRENT. Unit Owners and the Board of Managers shall be obligated to cooperate with and refrain from obstructing Sponsor in these undertakings. Buyers are advised to visit the DOB website for further recommendations when purchasing a unit in a building that does not have a PCO. A Factsheet on Certificates of Occupancy is available on the DOB website at http://www.nyc.gov/html/dob/downloads/pdf/co_factsheet.pdf.

In the event any closing of title occurs before the issuance of a permanent Certificate of Occupancy covering the Unit, Sponsor shall maintain all Deposits and funds received from the Purchasers of Units in a special escrow account as required by Section 352-e(2-b) of the General Business Law, unless Sponsor's engineer or architect certifies that a lesser amount will be necessary to complete the work needed to obtain a permanent Certificate of Occupancy, in which case the sum exceeding the amount so certified by such engineer or architect may be released to Sponsor from the special escrow account. Alternatively, Sponsor may deposit with an Escrow Agent any one or a combination of the following: cash or an unconditional, irrevocable letter of credit or Sponsor may post a surety bond and/or maintain unfunded, a portion of the construction loan available to Sponsor for construction purposes aggregating amount certified by Sponsor's engineer or architect. In such case, Sponsor shall have the right to draw down remaining portions of said letter of credit, cash, construction loan available to Sponsor for construction purposes, provided the unfunded portion of such construction loan and/or, remaining cash and/or letter of credit in the aggregate is, at all times no less than the amount that Sponsor's architect, engineer or construction manager certified is adequate to complete the work necessary to obtain a permanent certificate of occupancy. In the event Sponsor desires to post a bond pursuant to this paragraph, prior to posting such bond Sponsor will file an amendment to the Plan disclosing same.

The amount retained in escrow pending the delivery of a permanent Certificate of Occupancy and the architect's certification certifying such amounts will be included in the initial post-closing amendment and all subsequent amendments to the Plan until the PCO is obtained. The use of any alternative security will be previously disclosed in an amendment to the Plan.

Warranties of Construction

The Housing Merchant Implied Warranty (General Business Law Article 36-B) does not apply to this offering because that statute applies only to new single family homes or new for sale units in a multi-unit residential structure which is five (5) stories or less in which title is transferred to Purchasers under a cooperative or condominium regime. As the Building contains eleven (11) construction floors plus a cellar, this statute is not applicable. Sponsor has the obligation nevertheless, to construct the Building in accordance with applicable Law, codes, regulations, filed plans and specifications, and locally accepted building practices for items

which are not covered by codes.

Sponsor shall not be obligated to correct or cause to be corrected any latent or patent defects in construction of a Residential Unit or the Common Elements, or in the installation or operation of any mechanical equipment therein. However, in the event correction of a defect is covered under any guaranty or warranty given to Sponsor by the construction consultant, general contractor or construction manager (collectively the "General Contractor") engaged by Sponsor to complete construction of the Building (or by any contractor or subcontractor engaged by the General Contractor or Sponsor), Sponsor may, but shall not be obligated to, apply to the General Contractor to correct the defect. In order for Sponsor to consider bringing the defect to the attention of the General Contractor, Sponsor must be notified in writing (i) by the Unit Owner to whom Sponsor sold a Residential Unit, within three (3) months following the closing of the sale of the Unit to the Unit Owner if the defect concerns that Residential Unit (or if Sponsor permits occupancy of the Unit by a Purchaser under an interim lease, then within three (3) months after the commencement date of the interim lease), or (ii) by the Board of Managers, within the later of six (6) months from (a) the issuance of a TCO covering the entire Building, or (b) the first Residential Unit Closing if the defect concerns the Common Elements. If Sponsor is not notified within these time periods, Sponsor shall not have any obligation to consider causing remediation of the problem. In no event, however, shall Sponsor be obligated to compel, or to take action to compel, the General Contractor (or any contractor or subcontractor) to perform under any guaranty or warranty given by it in connection with work performed at the Property.

Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, in its or their sole discretion, shall select the method of correcting any defect to be corrected under this subparagraph 2. On three (3) days' notice from Sponsor and/or its General Contractor, and/or the pertinent contractor or subcontractor, the Unit Owner, Purchaser of the Board of Managers, as applicable, shall allow Sponsor, Sponsor's contractors, agents or licensees and/or the Managing Agent access to the Unit or area in question on any weekday to inspect and/or correct such defect. The quality of construction shall be comparable to local construction standards customary in the particular trade in question in accordance with the Plans and Specifications.

Sponsor shall be deemed to have discharged any commitment it may have made or be deemed to have made with respect to curing defects, if (i) Sponsor is not notified of the defect, or (ii) the Unit Owner, Purchaser or Board, as applicable, prevents Sponsor, Sponsor's contractors, agents or licensees and/or Managing Agent access to the Building and/or the Unit where corrective work has been requested, or (iii) Sponsor shall have corrected or caused to be corrected the defect in accordance with the practice of the industry as said practice is determined by Sponsor's General Contractor or architect or engineer, in its sole discretion.

Notwithstanding the foregoing, Sponsor shall not be responsible for correcting or repairing any defects in construction or defects in the installation or operation of any appliances (including, without limitation, kitchen appliances and washers and dryers), equipment or fixtures

with respect to which warranties or other undertakings (however denoted) from manufacturers, contractors, materialmen, or others, are delivered and/or assigned to either a Unit Owner or the Board of Managers. Also, Sponsor's undertaking to correct defects as described above, runs only to Unit Owners who have purchased a Unit from Sponsor. It does not run to Owners who purchased Units on resale by other Unit Owners.

In addition, in no event shall Sponsor be responsible for any condition resulting from normal wear and tear or natural deterioration of from the normal shifting or settling of the Building, or for any defects of insubstantial nature, including but not limited to partial or total death of any landscape improvements, nail pops, ridging on sheet rock walls, lumber shrinkage, door sticking due to weather, door warpage, tile, marble and granite grouting, separation in joints of tile, marble, granite or wood flooring, floor levels, ceiling imperfections, painting defects, alignment of bathroom finishes, air filtration from windows, and consequential damage resulting from settlement or normal plumbing, heating and air conditioning, noises, or carpet discoloration and stretching. In addition, Sponsor shall not be responsible for paint touch-ups, or for repair of chips, mars, breaks or other defects in window sashes, electric fixtures, interior painted surfaces, sinks, tubs, bowls, bidets (if any), cabinets, countertops, vanity tops and bases, doors, mirrors, hardware, flooring or appliance cabinets, unless notified of any such defect therein prior to closing of title to the Unit in question or the leasing of the Unit to the Purchaser thereof and Sponsor agreed to repair such items. Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan. Nothing contained herein shall be construed to render Sponsor liable for consequential damages, whether based on negligence, breach of contract, warranty or otherwise (except as Sponsor may be liable for by law).

Except as expressly set forth herein, Sponsor has no obligation to correct or repair any defect or condition in any Unit, the Common Elements, or the Building or in any installation, apparatus, fixture or appurtenance. The foregoing provisions set forth Sponsor's entire responsibility with respect to corrections and repairs and none other shall be implied.

Notwithstanding anything to the contrary in the foregoing discussion, both Unit Owners and the Board of Managers shall be obligated to permit Sponsor and its contractors and agent's access to Units and the Common Elements at the request of Sponsor and/or its contractors and agents, in order for Sponsor to complete construction in accordance with this Plan.

References in this Section or elsewhere this Plan to excluded repairs or excluded conditions with respect various items listed shall not be construed to imply an obligation on the part of Sponsor to do any work, renovation or rehabilitation or to install any equipment, fixtures or appliances or other items except, in each case, as expressly provided in "Description of Property and Specifications or Building Conditions."

The Sponsor reserves the right to amend the Plans and Specifications and to make

changes in the materials, appliances equipment and fixtures if (a) required or approved or accepted by governmental authorities having jurisdiction over the Property or by the Sponsor's architect; or (b) required by job conditions, local shortages or unavailability of materials; or (c) ordered by the Purchaser for his Unit without affecting Units previously sold. Changes or substitutions in materials, appliances, fixtures and equipment may also be made by the Sponsor provided that such substitutions are of equal or better quality. However, the Sponsor may not change the size, the location of the Building, other capital improvements, or the Common Elements if any such change materially adversely affects the value of any Unit either to which title has closed, or for which a Purchase Agreement has been executed and is in effect, unless all of the directly affected Unit Owners consent in writing to such change and all directly affected contract vendees are given the right to rescind and receive a refund of their Down Payments. All the foregoing amendments, modifications and changes to the Plans and Specifications may not be made without a duly filed amendment to this Plan.

Sponsor will not be obligated to correct and will not be liable to any Purchaser as a result of immaterial variations in the dimensions or arrangement of rooms, walls or other areas within Units, or in the Plans and Specifications, or in the description of the Building or a Unit set forth in the Plan.

Except as otherwise provided in this Plan, where alternatives are specified or where a particular practice, method, or design of construction, equipment, material or supply is not specified, the choice and decision of the Sponsor shall be determinative.

Notwithstanding anything to the contrary stated in this section or in this Plan, Sponsor's obligation, regardless of any limitations in any warranty stated herein or in this Plan, is to construct the Building in accordance with all applicable codes and filed plans and specifications. Any conflict between the disclaimers stated herein and Sponsor's obligation to construct the Building in accordance with all applicable codes and filed plans and specifications shall be resolved in favor of the latter.

Completion Free of Liens

Sponsor will pay or cause payment to all contractors, subcontractors, materialmen, and all others involved in the construction, establishment, and sale of the Units for all authorized and proper work performed and fixtures, material, and equipment supplied or installed in the construction of the Building, and will cause all mechanics liens arising out of the construction of the Building or the furnishing or installation of fixtures or equipment to be discharged or bonded promptly after any lien is filed.

Sponsor Documents to be delivered to the Board of Managers:

Sponsor shall provide the following documents to the Board of Managers on or before termination of Sponsor's control of the Board of Managers:

- Final as-built drawings;
- Operations and maintenance manuals for mechanical equipment;
- Electronic system manual;
- Re-commissioning manual;
- Equipment warranties;
- Manufacturer's roof warranty;
- Major equipment start-up sheets and control system as-built;
- Original test and balance report for HVAC system; and
- Post-construction indoor air quality report.

Plan, Exhibits, Documents

Sponsor agrees to keep copies of the Plan, exhibits and documents referred to in the Plan on file at its office or at another designated place for a period of six (6) years from the date the Declaration is recorded.

Sponsor's Rights of Access; Alterations

Sponsor reserves to itself, its successors, assigns, designees, invitees, contractors, agents, employees and tenants, any and all easements and rights of access, in and to Units and Common Elements, to complete construction in a manner consistent with the purposes of this Plan and to ensure Sponsor's rights and obligations hereunder. Sponsor is obligated to repair any damages caused as the result of the foregoing work to the extent it is obligated under the warranties provided under this Plan, if notified during the warranty period described below. Sponsor will not interfere with a Unit Owner's reasonable use of his or her Unit during any work period. However, there may be a temporary limitation as to use of the public areas. Sponsor's reservation and rights shall include, but not be limited to:

- (i) The right to maintain general, sales and leasing office(s) and personnel on the Premises, to post signs, and to conduct other activities connected with promotion, sales or leasing, such as inspection and display of vacant or licensed Units, as well as all Common Elements, to prospective Purchasers or lessees; and
- (ii) Right of access in and to Units and Common Elements for purposes of construction, repair, refurbishment, correction, alterations, finishing, servicing and similar work.

The quality of construction shall be comparable to construction standards customary in the particular trade and in accordance with the Plans and specifications. Notwithstanding the foregoing, Sponsor will not be responsible for correcting any defects in the operation of any appliances, equipment or fixtures with respect to which assignable warranties or other undertakings are assigned to the Board of Managers or Unit Owners. In addition, in no event shall Sponsor be responsible for any immaterial condition resulting from normal wear and tear or

natural shifting or settling of the Building, or for any defects of immaterial nature, including but not limited to nail pops, ridging on sheet rock walls, lumber shrinkage, any consequential damage resulting from settlement or normal plumbing and heating noises. Subsequent to the conveyance of title to a Unit, other than those items listed in the Inspection Statement which Sponsor will be obligated to repair in a reasonable amount of time after closing, Sponsor shall not be responsible for paint touch-ups, repair of dented appliances, porcelain or Formica chips and scratches in tubs, vanities or countertops. Sponsor has no obligation to make any repair to the Units or the Common Elements, except as expressly set forth in this Offering Plan.

Condominium and Sales Costs and Expenses

Sponsor will pay all expenses incurred prior to the establishment of the Condominium in connection with establishment of the Condominium, and will bear and pay all costs and expenses incurred in connection with the creation of the Condominium, whenever such costs or expenses are incurred, or in connection with the sale of all Units held or owned by Sponsor (except for costs specifically made payable by Purchasers under this Plan), and will pay all selling expenses including, but not limited to, advertising and printing costs, architect and engineering fees, and costs of filing this Plan and amendments thereto.

Except for Sponsor's obligations to pay Common Charges and to perform other duties as a Unit Owner with respect to Units not sold to Purchasers (for so long as Sponsor owns the same), and for its obligations with respect to relinquishing control of the Board of Managers, as hereafter set forth, the foregoing Section 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 Unit Owners under their respective Purchase Agreements.

Interim Leasing, Renting and Use of Unsold Units by Sponsor

Sponsor reserves the right, following the recording of the Declaration of Condominium and prior to the closing of title to any Unit, to lease such Unit to a prospective Purchaser who has executed a Purchase Agreement and paid the requisite Deposit, pursuant to an Interim Lease between Sponsor and Purchaser. Any such Interim Lease will provide that an uncured default by the Purchaser under the Purchase Agreement with respect to the Unit which is the subject of the Interim Lease will constitute a default under the license entitling Sponsor, at its sole option, to immediately terminate the license. In addition, each Purchase Agreement may provide that an uncured default by the Purchaser under any Interim Lease 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 immediately terminate such Purchase Agreement and exercise any remedies provided therein.

Sponsor is retaining the unconditional right to rent rather than sell units after the Plan has been consummated. Therefore there is no commitment on the part of the Sponsor to sell more units than the fifteen percent (15%) necessary to declare the plan effective and this Offering Plan

may not result in the creation of a Condominium in which a majority of the Units are owned by owner-occupants or investors unrelated to Sponsor.

Sponsor or its designee may use or occupy for itself or its agents, or (after the First Unit Closing) to rent or license to a tenant who is not a Purchaser for such fee and upon such terms as are agreed to between the parties, any Unit not conveyed or with respect to which a Purchase Agreement is not then outstanding. Sponsor will notify Purchasers of Units that have been previously occupied or that are then occupied, of such occupancy, prior to the execution of a Purchase Agreement. Such Unit will be delivered at the Closing, free and clear of any occupants and licenses, unless the tenant or occupant is the Purchaser or unless the Purchase Agreement indicates that the Unit shall be sold subject to a license, a copy of which shall be annexed to the Purchase Agreement. There shall be no obligation of Sponsor or its designee to decorate, refurbish or in any way repair such Unit.

Sponsor Development Rights

The unused floor area development rights that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution (the “Development Air Rights”) shall be retained by Sponsor or any entity to whom Sponsor conveys said Development Air Rights for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar and related agreements. Sponsor or any entity to whom Sponsor conveys Development Air Rights shall have the right to amend the Declaration and any ZLDA that exists pertaining to the Building, in order to convey Development Air Rights (the “Air Rights Amendment”). Sponsor or any entity to whom Sponsor conveys the Development Air Rights shall have the right to complete and file the Air Rights Amendment with the City of New York without the consent of the owners of the Condominium Units or the Board of Managers or any parties in interest to the Common Elements. The owners of the Condominium Units, the Board of Managers and/or any parties in interest to the Common Elements shall be deemed to have consented to the transfer of Development Air Rights as described in the Air Rights Amendment and shall execute any documents evidencing said consent as are reasonably requested by Sponsor. In the event Development Air Rights are transferred to an adjoining premises, the light, air and views from the Building may be negatively impacted. Notwithstanding the foregoing, neither Sponsor nor any entity to whom Sponsor conveys the Development Air Rights to may utilize the Development Air Rights to increase the size, height, bulk or density of any portion of the Property.

CONTROL BY THE SPONSOR

Sponsor reserves the right to control the Condominium Board of Managers for a period of time until the earlier to occur of (a) one hundred twenty (120) days after the date by which one hundred percent (100%) of the Units have been conveyed to Unit Purchaser; or (b) sixty (60) days after the date by which Sponsor has obtained a final certificate of occupancy ("FCO") for the Building (the "Sponsor Control Period"). However, in no event shall the Sponsor Control Period exceed three (3) years from the date of the First Unit Closing. Sponsor reserves the right to relinquish control of the Board prior to the expiration of the Sponsor Control Period.

Since the Condominium By-Laws do not require that a majority of the Board be owner-occupants who are unrelated to Sponsor after Sponsor relinquishes control, Purchasers for their own occupancy may never gain control of the Board and owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on the management of the Condominium.

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

Sponsor may not exercise veto power over expenses described in Schedule B of Part I of the Plan, without the consent of a majority in aggregate Common Interest of all Unit Owners (other than Sponsor voting as a Unit Owner) present at a duly called meeting of the Unit Owners or expenses required:

- (i) to comply with applicable laws or regulations; or
- (ii) to remedy any notice of violation; or
- (iii) to remedy any work ordered by an insurer; or
- (iv) any matter affecting the health or safety of the occupants of the Building.

Sponsor may exercise veto power over expenses other than those described above for a period ending not more than five (5) years after the closing of the first unit or whenever the Unsold Units constitute less than twenty-five percent (25%) of the common interest, whichever is sooner.

As long as Sponsor or a Sponsor-designee shall own one or more Units, the Board may not, without the prior written consent of Sponsor or the Sponsor-designee, in the sole discretion of the Sponsor or the Sponsor-designee: (i) amend the Declaration or By-Laws of the Condominium so as to in any way adversely affect Sponsor or a Sponsor-designee; or (ii) interfere with the offer, sale or leasing of Units, or construction within the Unit or Units belonging to Sponsor or a Sponsor-designee, operation of general or sales and leasing offices on the Property, or with any actions necessary or desirable for construction, renovation, repair, or correction of the Property or any Unsold Unit, as determined by Sponsor or a Sponsor-designee, as the case may be.

BOARD OF MANAGERS

Under the By-Laws of the Condominium, the affairs of the Condominium will be managed by a Board of Managers consisting of three (3) persons. However, the Board will initially consist of three (3) persons designated by Sponsor. The initial members of the Board will be Boaz Gilad, who is the principal of Sponsor, Daniel Cohen and Yaron Barshishat, each of whom are designees of Sponsor.

The first annual meeting of the Unit Owners shall be called for a date which is no more than one year after the first Unit Closing. At the end of the Sponsor Control Period, the initial members designated by the Sponsor shall resign and the Board of Managers will consist of three (3) persons elected by the Unit Owners. However, as long as Sponsor or a Sponsor-designee owns a Unit, it will be entitled to appoint one (1) member of the Board. Each Unit Owner, including the Sponsor or its designee, shall be entitled to cast one vote for each .01% of interest in the Common Elements attributable to their Unit(s) on all matters put to a vote at all meetings of the Unit Owners.

The Commercial Unit Owners shall, at all times subsequent to the Sponsor Control Period, have the right to designate one (1) member to the Condominium Board of Managers (the "Commercial Board Member"), and the Residential Unit Owners shall have the right to designate the two (2) other members of the Board (the "Residential Board Members").

The Unit Owners' annual meetings shall be held on or about the anniversary of the date of the first annual meeting. Notice of the annual meeting of Unit Owners or of any special meetings of Unit Owners shall be given by the Secretary, as directed by the Board of Managers, to all Unit Owners not less than ten (10) days or more than thirty (30) days before such meeting. Minutes of all meetings of Unit Owners and all meetings of the Board of Managers shall be kept by the Board, together with records of all actions taken by the Board and the financial records of the Condominium. The Board shall retain an independent certified public accountant to prepare an annual report of the receipts and expenditures of the Condominium, which report shall be promptly sent to each Unit Owner.

Special meetings of the Board of Managers shall be held when called by the President of the Board of Managers as directed by the Board of Managers or upon a petition signed by Unit Owners representing a majority in interest of the Common Elements having been presented to the Secretary of the Board.

After the Sponsor Control Period, each of the members of the three (3) member Condominium Board will serve until the next regular annual meeting of Unit Owners and until a successor is elected and qualified. Members of the Board of Managers, except for those members elected by the Sponsor, must be either a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner to be eligible for election. Except for a member of the Board of Managers designated by Sponsor or a Sponsor-designee, members of the Board may be removed

from office, with or without cause, by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%). Board members elected by the Sponsor or a Sponsor-designee may only be removed for cause by the affirmative vote of Unit Owners owning, in the aggregate, a percentage of Common Interest in excess of fifty percent (50%), excluding Sponsor's vote. In the event of such removal, the Sponsor or Sponsor-designee shall have the exclusive right to designate a replacement for such removed member of the Board of Managers. The Residential Unit Owners shall be eligible to vote for the two (2) Residential Board Members, and the Commercial Unit Owners shall be eligible to vote for the one (1) Commercial Board Member. Only the Commercial Unit Owners may remove a Commercial Board Member or designate a new Commercial Board Member to replace a Commercial Board Member. Only the Residential Board Members may remove a Residential Board Member or designate a new Residential Board Member to replace a Residential Board Member.

No members of the Board of Managers will receive any compensation from the Condominium for acting as such.

The Board will be responsible for management and maintenance of the Condominium. It will have the powers and duties necessary for the administration of the affairs of the Condominium and may perform any act necessary to accomplish this, as long as it is consistent with the Declaration, By-Laws, and applicable law. Such acts include (a) determination, collection, and enforcement of the obligations of Unit Owners to pay Common Charges; (b) employment and dismissal of personnel; (c) providing for insurance with respect to Common Elements; (d) adoption of rules relating to use and operation of the Property; (e) hiring of a managing agent and contractors and service companies in connection with the performance of the Board's responsibilities; (f) establishing an operating budget for the Condominium; (g) maintaining and making all required repairs and replacements to the portions of the Property which is the responsibility of the Board to maintain and replace; and, (h) on behalf of the Unit Owners, incurring debt on such terms and conditions as the Board will agree to provide for major and minor maintenance, repairs, additions, improvements, replacements, working capital, bad debts and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes (the repayment of any and all such debt may be secured and paid as provided in Section 339-jj of the New York Real Property Law).

Members of the Board will have no liability to the Unit Owners or third parties for errors of judgment, negligence, or otherwise, except for errors constituting willful misconduct or bad faith. The Unit Owners will severally indemnify the members of the Board against any liability or claims except those arising out of their bad faith or willful misconduct, but the liability of any Unit Owner on account of such indemnification will be limited to such proportionate share thereof as the Common Interest of such Unit Owner bears to the aggregate Common Interest of all Unit Owners. In order to limit the liability of the Unit Owners and the members of the Board, any contract or other commitment made by the Board will state that it is made by the Board only as agent for the Unit Owners, that the members of the Board will have no personal liability on

any such contract or commitment (except as Unit Owners), and that the liability of any Unit Owner on any such contract or commitment will be limited to such proportionate share of the total liability thereunder as the Common Interest such Unit Owner bears to the aggregate Common Interest of all Unit Owners.

Since the Condominium By-Laws do not require that a majority of the Board be owner-occupants who are unrelated to Sponsor after Sponsor relinquishes control, Purchasers for their own occupancy may never gain control of the Board and owner-occupants and non-resident owners, such as Sponsor, may have inherent conflicts on the management of the Condominium.

Officers

The principal officers of the Condominium shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board.

The President shall be the chief executive officer of the Condominium and shall preside at all meetings of the Board of Managers and of Unit Owners.

The Secretary shall be empowered to take and keep minutes and of all meetings and to keep the books and records of the Condominium.

The Treasurer shall be responsible for overseeing the finances of the Condominium and for keeping the financial records and books of the Condominium.

The Board of Managers, in its discretion shall delegate such powers to the officers as it sees fit to execute agreements, contracts, deeds, leases and checks etc. on behalf of the Condominium.

Amendments to Declaration and By-Laws; Termination of Condominium

The By-Laws may be amended at any Unit Owners' meeting provided (a) the notice of meeting contains a full statement of the proposed amendment, (b) the amendment is approved by sixty-seven percent (67%) of the Unit Owners in number and in Common Interest at a duly called meeting of Unit Owners and (c) the amendment is duly recorded as an amendment to the Declaration and By-Laws; provided, however, that any amendment to the By-Laws that is material in nature must be approved by at least fifty-one (51%) of the Registered Mortgagees. No amendment may affect a Unit Owner's interest or the interest of a mortgage holder in a Unit or adversely affect the Sponsor's rights.

The Declaration may be amended by the Board of Managers upon a vote of sixty-seven percent (67%) of the Unit Owners in number and in Common Interest held at a duly called meeting of Unit Owners provided, however, that any amendment to the Declaration that is material in nature must be approved by at least fifty-one (51%) of the Registered Mortgagees.

The Condominium may not be terminated unless at least sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and at least fifty-one (51%) of the Registered Mortgagees, if any, of the same Units agree to the withdrawal of the Property from the provisions of Article 9-B of the Real Property Law. The Sponsor or its nominee will not cast any of its votes for withdrawal unless sixty-seven percent (67%) or more of the Unit Owners and at least fifty-one (51%) of the Registered Mortgagees other than the Sponsor so vote, in which event the Sponsor will be free to cast its votes either for or against withdrawal.

Notwithstanding anything to the contrary contained herein, approval of the Registered Mortgagees or Registered Guarantors may be implied when the Registered Mortgagee or Registered Guarantor fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Notwithstanding anything to the contrary contained herein, for a maximum of two (2) years from the date of the recording of the Declaration in the Kings County Clerk's Office, as long as the Sponsor continues to hold fifty-one percent (51%) or more in number of the Units, the Sponsor's prior written consent shall be required in order to amend either this Declaration or the By-Laws. Furthermore, so long as Sponsor or its designee shall own one or more Units or for a period of five (5) years after closing of title to the first Unit, whichever is sooner, the Board of Managers may not, without the prior written consent of the Sponsor, (i) make any addition, alteration or improvement to the Common Elements or to any Unit or (ii) assess any Common Charges for the creation of, addition to or replacement of all or part of a reserve, contingency or surplus fund (provided, however, Sponsor will not unreasonably withhold consent to additions to the replacement Reserve Fund to the extent assessments are necessary to make expenditures required by law), or (iii) borrow money on behalf of the Condominium (except where necessary to perform work required by law to the extent that existing reserves are insufficient), or (iv) provide for new or additional services other than those provided for in Schedule B hereof. Sponsor shall have the right to withhold its consent to any of the foregoing actions except where otherwise noted. Notwithstanding the above, Sponsor's consent shall not be withheld for expenses required to comply with applicable law, to remedy any notice of violation, or to comply with any work order of an insurer. While Sponsor has voting control of the Board of Managers, Sponsor will not reduce or eliminate the services to be provided to the Condominium as set forth in this Plan.

Right of First Refusal

Other than a sale or lease by Sponsor or a successor of Sponsor, any lease or sale of a Residential Unit shall be subject to the Board's right of first refusal, subject to the following terms:

(a) Any contract to sell a Residential Unit, together with the Appurtenant Interests, and any lease of any Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain

the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, or overnight mail, which notice shall be accompanied by a copy of the fully executed Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror"). The sending of this notice shall constitute an offer by the Offeree Unit Owner to sell the Unit, together with its appurtenant interests, or to lease the Unit, as the case may be, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand, the Offeree Unit Owner shall submit to the Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Board may reasonably request.

(b) The Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail, or overnight mail, not later than thirty (30) days (in the event of a proposed sale) and fifteen (15) business days (in the event of a proposed lease) after receipt of (i) the notice referred to in subparagraph (a) hereof, or (ii) all other information reasonably required by the Board, whichever is later, to purchase or lease the Offeree Unit, as the case may be, on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement. Notwithstanding anything to the contrary contained herein, however, the Board shall not exercise any option pursuant to this right of first refusal to purchase or lease any Residential Units without the prior approval of a Majority of Residential Unit Owners by number.

(c) In the event the Board fails to exercise its right of first refusal within the time period set forth in subparagraph (b) above, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within sixty (60) days after (i) notice of refusal is sent to the Offeree Unit Owner by the Board, or (ii) the expiration of the period in which the Board might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such sixty (60) day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Units or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of subparagraphs (a) and (b) hereof, but not more often than once in any twelve (12) month period. The Board shall have the right to waive this requirement for good cause shown, in its sole discretion.

(d) The Board shall not discriminate against any person on the basis of race, creed,

color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising its right of first refusal set forth herein.

(e) The Board may use the Unit for any legal purpose and in accordance with the Declaration and the By-Laws.

(f) In the event the Board does exercise its right of first refusal with respect to the sale of a Residential Units, the acquisition of the Unit may be made from the working capital and Common Charges, or, if such funds are insufficient, the Board of Managers may assess each Residential Unit Owners, other than the offering Unit Owner, in proportion to each Residential Unit Owners' percentage of Residential Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board may also assess each Residential Unit Owners, as provided above, for Common Charges for the Unit, or the rent due pursuant to the Lease, and for the cost of maintenance and repairs to such Unit. Neither the Board nor any Residential Unit Owners shall be entitled to cast any votes attributable to such Residential Units. After the Board takes possession of the Unit, the proceeds of the lease, or proceeds from a sale of the Unit then held by the Condominium, may be distributed in one of three ways in the sole discretion of the Board: (i) the proceeds can be put into the Working Captial Fund; (ii) the proceeds can be put into the Reserve Fund; or (iii) the proceeds can offset Common Charges payable by the Residential Units.

RIGHTS AND OBLIGATIONS OF UNIT OWNERS AND THE BOARD OF MANAGERS

Sale or Lease of Units by Unit Owners Subject to Right of First Refusal

Tenants of any lease of a Unit will not be subject to the New York City Rent Law (rent control), the Emergency Tenant Protection Act of 1974, the New York City Rent Stabilization Law or the New York City Rent Stabilization Code, as such laws are presently in effect.

Other than a sale or lease by Sponsor or a successor of Sponsor, any lease or sale of a Residential Unit shall be subject to the Board's right of first refusal, subject to the following terms:

(a) Any contract to sell a Residential Unit, together with the Appurtenant Interests, and any lease of any Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO THE RIGHTS IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED." Promptly after such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Unit Owner executing the same ("Offeree Unit Owner") shall send written notice thereof to the Condominium Board by certified or registered mail, or overnight mail, which notice shall be accompanied by a copy of the fully executed Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant ("Outside Offeror"). The sending of this notice shall constitute an offer by the Offeree Unit Owner to sell the Unit, together with its appurtenant interests, or to lease the Unit, as the case may be, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand, the Offeree Unit Owner shall submit to the Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Board may reasonably request.

(b) The Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail, or overnight mail, not later than thirty (30) days (in the event of a proposed sale) and fifteen (15) business days (in the event of a proposed lease) after receipt of (i) the notice referred to in subparagraph (a) hereof, or (ii) all other information reasonably required by the Board, whichever is later, to purchase or lease the Offeree Unit, as the case may be, on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement. Notwithstanding anything to the contrary contained herein, however, the Board shall not exercise any option pursuant to this right of first refusal to purchase or lease any Residential Units without the prior approval of a Majority of Residential

Unit Owners by number.

(c) In the event the Board fails to exercise its right of first refusal within the time period set forth in subparagraph (b) above, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within sixty (60) days after (i) notice of refusal is sent to the Offeree Unit Owner by the Board, or (ii) the expiration of the period in which the Board might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such sixty (60) day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Units or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of subparagraphs (a) and (b) hereof, but not more often than once in any twelve (12) month period. The Board shall have the right to waive this requirement for good cause shown, in its sole discretion.

(d) The Board shall not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising its right of first refusal set forth herein.

(e) The Board may use the Unit for any legal purpose and in accordance with the Declaration and the By-Laws.

(f) In the event the Board does exercise its right of first refusal with respect to the sale of a Residential Units, the acquisition of the Unit may be made from the working capital and Common Charges, or, if such funds are insufficient, the Board of Managers may assess each Residential Unit Owners, other than the offering Unit Owner, in proportion to each Residential Unit Owners' percentage of Residential Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board may also assess each Residential Unit Owners, as provided above, for Common Charges for the Unit, or the rent due pursuant to the Lease, and for the cost of maintenance and repairs to such Unit. Neither the Board nor any Residential Unit Owners shall be entitled to cast any votes attributable to such Residential Units. After the Board takes possession of the Unit, the proceeds of the lease, or proceeds from a sale of the Unit then held by the Condominium, may be distributed in one of three ways in the sole discretion of the Board: (i) the proceeds can be put into the Working Captial Fund; (ii) the proceeds can be put into the Reserve Fund; or (iii) the proceeds can offset Common Charges payable by the Residential Units.

Mortgaging of Units by Unit Owners

Each Unit Owner has the right to mortgage his or her Unit, provided that (i) the mortgage shall be substantially in the form of the New York statutory form of mortgage, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to

any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a Permitted Mortgage. Notwithstanding the foregoing, the Sponsor and Sponsor's designee shall have the right to mortgage their Units without restriction or limitation, but any such mortgage shall contain the representations in clauses (iii) and (iv) of this paragraph (if applicable). The Unit Owner will be responsible for interest and amortization payments on the mortgage encumbering such Unit Owner's Unit. A Unit will not be subject to the lien of any mortgage placed by other Unit Owners on their Units.

Common Charges and Assessments

The Board of Managers will prepare and furnish its budget to the Unit Owners from time to time and at least once a year. Based upon such budget and any modifications thereof approved by the Board of Managers, the Unit Owners will be charged for the cost of the operation of the Condominium in accordance with their percentage of interest in the Common Elements. The Board of Managers may commence the collection of Common Charges upon the closing of title to the first Unit or thereafter in such amount as will be necessary to carry out the duties of the Board of Managers, as set forth in this Offering Plan. Such Common Charges shall be paid by the Unit Owners and by Sponsor as Owner of Units that have not been sold to bona fide Purchasers. Each Unit Owner will be responsible to pay the Common Charges allocable to his or her Unit monthly in advance on the first day of each month, commencing with the closing of title to his or her Unit. Common Charges assessed during the month in which title closes shall be adjusted between the Purchaser and the Sponsor as of the Closing Date, if collection of Common Charges has commenced on or before said date.

The Common Charges assessed by the Board of Managers, in addition to covering the cost of repairing and maintaining the Common Elements including but not limited to, fire and liability insurance covering the Condominium, electricity for the Common Elements, water, audit and legal expenses and reserves for capital expenditures, may include, in the discretion of the Board of Managers, other reserves, working capital and other sums necessary to carry on the affairs of the Condominium.

The Common Charges will not include maintenance, repairs or decoration of any Units or portions thereof (except for structural repairs), payments required pursuant to the terms of any Unit Owner's mortgage, or real estate taxes covering the individual Units.

The liability of each Unit Owner for the payment of the Common Charges thereafter assessed or becoming due against his or her other Unit, shall terminate upon a permissible sale, transfer or other conveyance of such Unit together with the appurtenant interest in the Common Elements made by him or her in accordance with the applicable provisions of the By-Laws. In addition, any Unit Owner may, subject to the terms and conditions specified in the By-Laws,

convey his or her Unit together with the appurtenant interest to the Board of Managers or its nominee on behalf of all other Unit Owners, without any compensation, and in such event shall be exempt from Common Charges thereafter assessed. A Purchaser of a Unit shall be required by the Board of Managers to pay unpaid Common Charges assessed against the Unit prior to his or her acquisition, except that a mortgagee acquiring title to the mortgaged Unit or a Purchaser at a foreclosure sale shall not be liable for such charges and the Unit shall not be subject to a lien for the payment of the Common Charges assessed prior to the acquisition of title thereto by a mortgagee or Purchaser at a foreclosure sale. However, such mortgagee or Purchaser at a foreclosure sale shall be liable for payment of all Common Charges after the acquisition of title. After the Board of Managers files a lien for unpaid Common Charges and in the event the lien is foreclosed by the Board of Managers, if the proceeds of the foreclosure sale shall not be sufficient for the payment of such unpaid Common Charges or if a Unit is acquired by a mortgagee or Purchaser in foreclosure, the unpaid balance shall be charged to all Unit Owners as a Common Expense. If there is any surplus remaining from the proceeds of a foreclosure sale after payment of the indebtedness and all the expenses of the sale, the surplus shall be paid to the Unit Owner.

Pursuant to Section 339-z of the Condominium Act, the Board of Managers, on behalf of the Unit Owners, will have a lien on each Unit for unpaid Common Charges assessed by the Board of Managers. Under Section 339-aa of the Condominium Act, a lien for non-payment of Common Charges will be subordinate only to liens for real estate taxes and to sums unpaid on a first mortgage of record on the Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the office of the County Clerk in Kings County, and until all sums secured thereby, with the interest accrued thereon at twelve percent (12%) per annum shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six (6) year period), whichever is earlier. The lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, similar to a foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges, without necessarily filing the lien. Sponsor will cause the Board of Managers to file a lien, as provided in Section 339-aa of the Condominium Act, on Units in which a Purchaser is more than ninety (90) days in arrears of Common Charges while it is in control of the Board of Managers. Sponsor will cause the Board of Managers to file a lien, as provided in section 399-aa of the Condominium Act, on Units in which Sponsor is more than thirty (30) days in arrears of common charges while it is in control of the Board of Managers.

Pursuant to Section 339-kk of the Condominium Act, if a non-occupying owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in writing, all rental payments from the tenant shall be directly payable to the Condominium Association.

If the Common Charges, assessments or late fees due for any Unit have not been paid in

full, within sixty (60) days after the expiration of any grace period of the earliest due date, the Board of Managers shall provide a timely written notice to the tenants, the non-occupying owner, the Registered Mortgagee, and the Registered Guarantor, 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 of Managers may elect not to require that rental payments be made payable to the Condominium. At such time as payments for common charges, assessments and late fees from the non-occupying owner are once again current, notice of such fact shall be given within three (3) business days to the rental tenant and non-occupying owner. Thereafter all rental payments shall be made payable to the non-occupying owner or a designated agent. A non-occupying owner who disputes the Condominium'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 (30) days of the date that such Board receives notice that such owner seeks to dispute such claim. Nothing in this section shall limit any rights of Unit Owners or of the Board of Managers existing under any other law or agreement. 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.

Notwithstanding the foregoing, any first mortgagee who obtains title to a condominium unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the unit's unpaid regularly budgeted dues or charges accrued before acquisition of the title to the unit by the mortgagee. If the Condominium Association's lien priority includes costs of collecting unpaid dues, the lender will be liable for any fees or costs related to the collection of the unpaid dues.

Repairs

Generally, all painting, decorating, maintenance, repairs and replacements, whether structural or nonstructural, ordinary or extraordinary, in or to (a) any Unit including Limited Common Elements to the Unit (other than to the Common Elements contained therein), will be made by the Unit Owner at the Unit Owner's sole cost and expense; and (b) in or to the Common Elements will be made by the Board of Managers and the cost thereof will be a Common Expense.

All maintenance, repairs and replacement of the Common Elements of the Property, including, but not limited to, exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the Common Elements but serve

one or more Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense, except where such repair or replacement is necessitated by the negligence, misuse or neglect of a Unit Owner to whom the Common Element is restricted in use, in which event the cost and expense shall be assessed to and paid for by such Unit Owner. All repairs, replacements, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows, or the exterior surface of any Building, including roofs, or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance replacements or repair, which maintenance, replacements or repair is necessary to protect any of the Common Elements, any other Unit, or, in the event of service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to make such maintenance, replacements or repair (after the failure of the Unit Owner to do so after ten (10) days' written notice, or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs, replacements, and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs, replacements or maintenance to his Unit or for repairs to any Common Elements restricted in use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered as additional Common Charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit to compel payment. In the event the Board of Managers brings a suit, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with interest on all sums due.

The interior glass surfaces of all windows located in the Units are to be cleaned at the Unit Owner's expense. The exterior surfaces of all Unit windows shall be cleaned by the Board of Managers and the cost shall be a Common Expense. Broken window glass in a Unit shall be replaced by the Unit Owner at the Unit Owner's sole cost and expense, unless such breakage was caused by the Board of Managers or its agents, in which case replacement shall be made by the Board of Managers at its sole cost and expense. Entrance doors to Units and the roof of the Building shall be maintained and repaired by the Board of Managers unless the damage thereto was caused by a Unit Owner in which case the Board of Managers shall make the repair and charge the Unit Owner accordingly.

The Board of Managers and/or any agent of the Board of Managers shall have the right of access (which right shall be an easement) to inspect any Unit for the purpose of making any repairs or replacements to any of the Common Elements contained in such Unit or appurtenant to such Unit, or elsewhere in the Building, or to remedy any condition which would result in damage to any other Unit or to the Common Elements, or which would violate the provisions of any mortgage covering another Unit, or for the purpose of removing violations or curing defaults by Unit Owners, or for the purpose of complying with any laws, orders, rules or regulations of any governmental body having jurisdiction thereof. Such right of access shall be exercised in such manner as will not unreasonably interfere with the use for which the Unit was intended. No prior notice shall be required if the Board of Managers shall determine that action is immediately

necessary for the preservation or safety of the Property or its residents or to avoid the suspension of any necessary service.

Additions, Alterations and Improvements

No Unit Owner may make any addition, alteration or improvement to the Common Elements.

No Unit Owner shall make any structural addition, alteration, repair or improvement in his or her Unit, Limited Common Elements, or to the Common Elements appurtenant to his or her Unit, without the prior written approval of the Board of Managers, which approval will not be unreasonably withheld, provided that the addition, alteration, repair or improvement may be made while retaining the structural integrity of the Building. Notwithstanding anything to the contrary contained herein, Sponsor shall be permitted to make any lawful alterations to Unsold Units without the consent of the Board of Managers except for structural alterations that would have a material effect on the structural integrity of the Building. In addition, no such additions, alterations or Unit Owner's improvements may be made unless the consent of the Unit mortgagee (if any) is obtained, if such consent is required under the terms of the Unit Owner's mortgage. Except as otherwise provided with respect to alterations by the Sponsor or Sponsor's designee, no application shall be filed with the New York City Buildings Department or with any other governmental authority for a permit covering an addition, alteration or improvement to be made in a Unit unless approved in writing executed by the Board of Managers. Such execution shall not subject the Board of Managers or any of its members to any liability to any contractor, subcontractor, material man, architect or engineer, by reason of such addition, alteration or improvement or to any person having any claim for injury to person or damage to Property arising therefrom. If requested by the Board of Managers, a Unit Owner shall indemnify the Board of Managers for loss, damage or liability resulting in any way from execution of any such documents executed by the Board of Managers or any of its Members.

Prior to and as a condition of granting consent to the making of a structural alteration, addition, repair or improvement to a Unit, the Board of Managers may require the Unit Owner to deliver plans and specifications to the Board of Managers and to execute an agreement in the form required by the Board of Managers, setting forth the terms and conditions under which the proposed work is to be done, including, without limitation the days and hours during which the work is to be done. The Unit Owner shall also provide the Board of Managers, if required, with a copies of all insurance policies in the form required by the Board of Managers insuring all work to be performed by the Unit Owner and naming the Condominium and mortgagee, if applicable, as an additional insured.

Notwithstanding the foregoing, there are no additional requirements in the by-laws regarding aesthetic controls or architectural restrictions for additions, alterations or improvements to individual units.

Insurance

The Board of Managers shall obtain and maintain, to the extent obtainable, fire insurance, including water damage, insuring the Building, including all of the Units and the bathroom and kitchen equipment initially installed therein by the Sponsor, together with all heating, air conditioning equipment and other service machinery contained therein (but not including wall, ceiling or floor decorations or coverings, or furniture, furnishings, fixtures, equipment or other personal property supplied or installed by Unit Owners), covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as their interests may appear, in an amount equal to the full replacement value of the Building (exclusive of the cost of excavations, pilings and foundations). Each of such policies shall contain a New York Standard Mortgagee Clause in favor of each mortgagee of a Unit which shall provide that the loss, if any, thereunder shall be payable to such mortgagee as its interest may appear, subject, however, to the loss payable provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth, and such other insurance as the Board of Managers may determine.

The amount of fire insurance to be maintained on the Building upon the transfer of title to all Units and until the first meeting of the Board of Managers following the first annual meeting of the Unit Owners will not be less than one hundred percent (100%) of replacement value of the Building. The Board of Managers shall review the amount of fire insurance annually. Although there is no requirement for annual appraisals to ascertain whether the insurance coverage is adequate, such appraisals are required prior to renewal of any fire policy.

The Board of Managers will arrange for repair of the Units in the event of a casualty loss. In the event the insurance proceeds are not sufficient to cover the cost of repairs to the Units, the balance of the cost of such repairs will be assessed against all Unit Owners. For further provisions regarding repair or reconstruction of Units after fire, casualty or condemnation see Article Seven of the By-Laws which provides, among other things, for Unit Owners' approval to reconstruct in the event seventy-five percent (75%) or more of the Units are destroyed or substantially damaged. In the event of a casualty loss, the Unit Owner will continue to pay the Common Charges on his Unit.

The proceeds of all policies of physical damage insurance carried by the Board of Managers shall be payable to the Board of Managers in the event of a casualty loss amounting to \$100,000 or less, and to the "Insurance Trustee" if the loss shall amount to more than \$100,000 to be applied for the purpose of repairing, restoring or rebuilding the Building unless otherwise determined by the Unit Owners, as hereinafter set forth. The Insurance Trustee shall be designated by the Board of Managers and shall be a bank or trust company located in the State of New York. In the event that the Insurance Trustee shall resign or not qualify, the new Insurance Trustee shall hold all proceeds of insurance policies in accordance with Section 254.4 of the Real Property Law.

The comprehensive general liability insurance policy to be maintained until the first

meeting of the Board of Managers following the first annual meeting of the Unit Owners, will have a limit of \$1,000,000, covering all claims arising out of any one occurrence in the Common Elements and a limit of \$2,000,000 in the aggregate, a portion of which may be covered via an umbrella policy.

The cost of all such insurance and the fees and expenses of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense. The Board of Managers may also obtain and maintain, to the extent obtainable: (1) fidelity insurance covering all officers and employees of the Condominium who handle Condominium funds; (2) worker's compensation insurance; and (3) in order to limit the liability of Unit Owners for personal injury and tort, comprehensive general liability insurance covering each Member of the Board of Managers and each Unit Owner for such amounts as the Board of Managers may deem proper. The Board of Managers shall review such limits once each year. See Schedule B for the estimated cost of insurance for the Condominium for the first year of operations.

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

In addition to the insurance set forth herein, Unit Owners must obtain supplemental or additional insure their personal effects and the interior of the Unit itself for fire and liability. Such insurance commonly referred to as an "HO-6 Policy," will be paid for by the Purchaser. Unit Owners shall not be prohibited from carrying other insurance for their own benefit provided such policies contain waivers of subrogation and further provided that the liability of the carriers issuing insurance procured by the Board of Managers shall not be affected or diminished by reason of any Unit Owner's other insurance.

Restrictions on Occupancy and Use

Restrictions on and conditions for occupancy of Units, including aesthetic controls and limitations on business and professional use, appear in the House Rules appended to the Condominium By-Laws in Part II of the Plan. In addition, the Units will be restricted to residential uses as well as "home occupation" uses as defined in the Zoning Resolution in Section 12-10. Home occupations cannot have more than one (1) employee and not more than twenty-five percent (25%) of a Unit's space may be dedicated to such use.

A summary of some of the rules governing the occupancy and use of Units follows:

Owners of a Unit, members of their families, their employees, guests and their pets shall not use or permit the use of the Premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in such a way as to be injurious to the reputation of the Condominium.

No Unit Owner shall paint the exterior surfaces of the windows and doors opening out of his or her Unit.

No Unit Owner or any of his or her agents, servants, employees, licensees, or visitors shall at any time bring into or keep in his Unit any inflammable combustible or explosive fluid, material, chemical or substance, except for normal household use.

No Unit Owner shall make or permit any disturbing noises in his or her Unit, or do or permit anything to be done therein, which will interfere with the rights, comforts or conveniences of other Unit Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument, or operate or permit to be operated a computer for purposes of listening to music, phonograph, tape, radio or television set or similar loud device in such Owner's Unit between the hours of 12:00 Midnight and the following 7:00 A.M. if the same shall reasonably disturb or annoy other occupants of the Building and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the following 9:00 A.M.

No garments, rugs, etc., shall be hung from the windows or from any part of the Building or balconies or clotheslines strung, on, across or over the Common Elements or the Limited Common Elements (including any irrevocably restricted areas).

No sign of any kind shall be displayed to the public view on or in any Unit.

No birds, animals or reptiles, except dogs or cats, shall be permitted in any Unit unless the same shall have been expressly permitted in writing by the Board of Managers or the Managing Agent, and such permission shall be revocable at any time by the Board of Managers or Managing Agent in their sole discretion. In no event shall more than two (2) animals shall be permitted in any Unit. No pet shall be permitted in the Common Elements, including dogs and cats, unless carried or on a leash.

No Unit Owner shall leave or permit any personal property (i.e., bicycles, carriages, etc.) to be left in the hallways, corridors, lobby or other common areas or to be left on the terraces, unless in a place specifically designated for same, by the Board of Managers or the Managing Agent.

A portion of Unit A is located in the cellar of the building. This accessory cellar space may not be used as a bedroom, living room, dining room or for any other use construed as "habitable space" as defined by the New York City Building Code. Doing so may result in a violation being issued against the Building and a fine imposed, which will be the responsibility

of the Unit Owner to correct and remove. The existence of violations on the building may result in Unit Owners, including those not responsible for violations, being unable to sell or refinance their Units.

The Limited Common Elements consist of the portions of the Property (other than the Units and the Common Elements) existing for the sole use and enjoyment of certain Unit Owners to the exclusion of all other Unit Owners. In this Building, none of the Units will have a balcony, terrace or rear yard allocated as a Limited Common Element. Thus, there are no Limited Common Elements in the Building.

The Property is located in Zoning District R8A which permits the construction of ten to twelve story residential structures as of right. The Property also has a C2-4 commercial overlay allowing for customer-focused commercial uses serving the residential community.

The provisions set forth above shall not be applicable to the Sponsor. The Sponsor and its nominees and agents shall have the right and privilege to maintain general and local sales offices in and about the Condominium, including any model Units located within the Condominium Building or elsewhere throughout the Property, and shall have the right and privilege to have their representatives, employees and agents present on the Condominium premises to show the Units to prospective Purchasers, to utilize the Common Elements and without limitation, to do any and all things necessary and incident to the sale of the Units, without charge or contribution other than in the form of Common Charge payments as otherwise provided for herein.

The Sponsor shall have the right to continue to employ signs of its choice upon the Condominium premises in its efforts to market and sell the Units. Incident to the rights and privileges provided for herein, the officers, employees, agents, contractors, guests and invitees of the Sponsor, its successors and assigns, shall have the right of ingress and egress to and throughout the Common Elements of the Condominium. The Sponsor shall have the right to use Common Elements and Limited Common Elements in the construction, repair or otherwise in connection with the building and maintenance of the Building.

The Board of Managers shall sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers. However, Sponsor shall not make any material changes to the Condominium without a duly filed amendment to the Plan.

Compliance with By-Laws and Rules and Regulations

Rules and regulations concerning the use of the Property and Units may be promulgated

and amended from time to time by the Board of Managers, provided that copies of such Rules and Regulations are furnished to each Unit Owner prior to the time that they become effective. The initial Rules and Regulations of the Condominium are contained in Part II of the Plan.

Each Unit Owner must comply strictly with the By-Laws and the rules, regulations, resolutions and decisions adopted pursuant thereto. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violation the Board of Managers may ask the offending Unit Owner for sufficient surety for future compliance.

A Manager may be removed for cause by a majority vote of the Unit Owners.

The powers of the Board of Managers are set forth in Article III of the By-Laws. Among those powers and duties necessary for administration of the affairs, which generally include all powers and duties relating to the Property and business affairs of the Condominium other than that specifically directed or required to be done by the Unit Owners personally, including, without limitation, the following:

- (i) To determine the amount of, collect and disburse the Common Charges, including the right to accumulate a reserve for capital replacements.
- (ii) To make reasonable Rules and Regulations in addition to those set forth in the By-Laws and to enforce them.
- (iii) To employ others, including a management agent, and to delegate powers.
- (iv) To maintain, make repairs to and replacements of the Common Elements and Limited Common Elements including exterior walls, roofs, pipes, wire conduit and public utility lines, any of which is located in one Unit and services another Unit, and painting of exterior surfaces of doors and windows which open from a Unit. However, a Unit Owner shall be responsible for the maintenance of his Unit including electric repairs, plumbing stoppage, window cleaning, painting and decorating in the Unit, all glass breakage, pipes, wires and conduits in and servicing the same Unit and repairs and replacements to the Unit.
- (v) To choose officers of the Condominium which officers shall include a President who shall be the chief executive officer of the Condominium, shall preside at all meetings of the Unit Owners and Board of Managers and be an ex-officio member of all committees; a Secretary who shall record all votes and take and keep minutes of all meetings of the Unit Owner and Board of Managers; and a Treasurer who shall be responsible for overseeing the finances of the Condominium funds and for keeping the financial budget and record of the Condominium or overseeing them if kept by the Managing Agent.

- (vi) To maintain Condominium bank accounts.
- (vii) To bring and defend actions on behalf of the Condominium including foreclosure of liens for unpaid Common Charges.
- (viii) To acquire title to any abandoned Unit or Units under foreclosure.
- (ix) To make repairs, restore or alter any Unit or the Common Elements after damage by fire or other casualty or condemnation.
- (x) To enter a Unit when necessary for the maintenance, care and preservation of the Property.
- (xi) To furnish annually, at the end of each fiscal year, copies of an annual report of the Condominium including a balance sheet and profit and loss statement certified by an independent public accountant, a statement regarding any taxable income attributable to the Unit Owners and a notice of the holding of the annual Unit Owners meeting. A Unit Owners, his/her representatives and mortgagee may examine the Condominium books and records upon reasonable notice and during normal business hours.
- (xii) To act as an agent of those Unit Owners, if any, who give their written authorization to apply to the New York City real estate tax assessment agency by filing a single protest or complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for whom it is acting as agent and charge those Unit Owners a pro-rata share of expenses, disbursements and legal fees.

Right of Action

The Board and any aggrieved Unit Owner shall have the right of action against Unit Owners or the Board for failure to comply with the Declaration, By-Laws, or decisions of the Board.

Enforcement of Sponsor's Obligations

Nothing herein shall prevent an individual Unit Owner from bringing an action in the nature of a derivative action against the Board. Sponsor agrees that during the Sponsor Control Period it will in its capacity as the Board enforce such obligation when required to do so by a resolution duly passed by a majority of the Unit Owners, excluding Sponsor, at a special meeting of the Unit Owners called for such purpose.

Voting

Each Unit Owner, or some 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 the Unit Owner's Unit at all meetings of Unit Owners. The total number of votes of all Unit Owners shall be 10,000 and each Unit Owner shall be entitled to cast one vote at all meetings of the Units Owners for each 0.01 percent of interest in the Common Elements applicable to the Unit Owner's Unit.

Notices to Registered Mortgagees and Registered Guarantors

The Registered Mortgagee and Registered Guarantors will be notified within ten (10) days by certified or registered mail, with a "return receipt" requested in the event of the following:

- (i) Any condemnation or casualty loss that affects either a material portion of the project or the unit securing its mortgage;
- (ii) Any 60-day delinquency in the payment of assessments or charges owed by the owner of any Unit on which it holds the mortgage;
- (iii) A lapse, cancellation, or material modification of any insurance policy maintained by the Condominium Association; and
- (iv) Any proposed action that requires the consent of fifty-one percent (51%) of the Registered Mortgagees and Registered Guarantors.

Replacement Reserve

The Board of Managers, at all times shall maintain a Replacement Reserve equal to ten percent (10%) of the annual Common Charges which funds shall be used for the maintenance, repair and replacement of the Common Elements of the Building, including, but not limited to, systems such as plumbing, electrical, structural, roofing and heating.

THE FOREGOING SUMMARY IS NOT INTENDED TO BE A COMPLETE DISCUSSION OF THE BY-LAWS OR DECLARATION. PROSPECTIVE PURCHASERS OR THEIR ATTORNEYS OR ADVISORS SHOULD REVIEW THE BY-LAWS, DECLARATION AND OTHER IMPORTANT DOCUMENTS SET FORTH IN PART II OF THE PLAN.

REAL ESTATE TAXES

Real estate taxes are assessed and collected by the City of New York. The Property is currently classified as a Tax Class 2 property (residential condominium building with one to three units) upon completion of the improvements.

Once Units are separately assessed for real estate taxes, each Unit Owner will be responsible only for payment of the tax bill attributable to Unit Owner's Unit, and will not be responsible for paying the tax bill attributable any other Unit. Likewise, with separate assessments, one Unit cannot be subject to a tax lien arising out of another Unit Owner's failure to pay the taxes due on that other Unit Owner's Unit.

Certain Purchasers of Residential Units, including senior citizens and veterans, may be exempt, in whole or in part, from real estate taxes. Each potential Purchaser should consult his or her own tax advisor as to the availability of such exemptions.

Submission of the Declaration and Tax Lot Drawings to the New York City Real Property Assessment Bureau for review is one of the first steps in the process by which the Units will become separate tax lots. The timing of this submission generally depends upon the date the Plan is declared effective, as typically the submission is not made until that time. As of the date of this Plan, Sponsor has no reason to anticipate any delay other than normal governmental processing time in effectuating creation of separate tax lots and individual Unit assessments.

Purchasers are advised, however, that due to the City's schedule in assessing real property generally, it is possible that separate assessments of Units may not be made for six to twelve months after separate tax lots legally are established. That is, separate tax lots may be established (thereby enabling Sponsor to convey Units to Purchasers), but separate assessments may follow some months later. Thus, for a period of time following establishment of separate tax lots, one tax bill may still be rendered for the entire Property. Details of how the tax bill will be paid under these circumstances and Purchasers' responsibilities for contributing their proportionate share of same, are included in Part I of this Plan, entitled "Unit Closing Costs and Adjustments."

Assessment and Tax Certiorari Proceedings

The Board of Managers shall have the right accorded condominium boards of managers in Section 339-y of the Condominium Act, on behalf of and as agent for any Unit Owner who has given written authorization to the Board of Managers, to commence, pursue and settle certiorari proceedings to obtain reduced real estate tax assessments with respect to the Unit, as set forth in the By-Laws. All Unit Owners will share the costs in connection therewith and the benefits derived therefrom. The Board of Managers may retain legal counsel on behalf of Unit Owners for which it is acting as agent and charge all such Unit Owners a pro-rata share of expenses, disbursements, and legal fees, for which charges the Board of Managers shall have a

lien as if for Common Charges, pursuant to Section 339-z of the Condominium Act. If any Unit Owner seeks individually to have the assessed value of said Owner's Unit reduced, by bringing a separate tax certiorari proceeding, the Board of Managers, if necessary for such proceeding, will execute any documents or other papers required for, and otherwise cooperate with such Unit Owner in pursuing such reduction, provided such Unit Owner indemnifies the Board of Managers and all other Unit Owners from all costs, claims and expenses (including, without limitation, reasonable attorney's fees and expenses), resulting from such proceedings.

There are no tax certiorari proceedings currently pending for the Property.

Real Estate Tax Projection

The New York City Department of Finance ("DOF") 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*. In regard to Condominiums with more than three (3) dwelling units, taxes are levied on 45% of the *market value*.

Metropolitan Realty Exemptions, Inc., (MRE) has determined that upon substantial completion of construction, the DOF will classify the Condominium as a Tax Class 2 and levy the assessed value on a 6% rate of the market value. MRE has projected the assessed value of the Residential Units in an opinion letter dated February 17, 2017. The first year of operations for the Condominium (the "First Year of Operations") is estimated to be March 1, 2018 through February 28, 2019. Taxes for the First Year of Operations has been projected to be a blended rate of a portion of the taxes projected to be due at the rate during the 2017-2018 tax year (July 1, 2017 – June 30, 2018); and a portion of the taxes projected to be due at the rate during the 2018-2019 tax year (July 1, 2018 – June 30, 2018). MRE estimates the assessed value of the Condominium will be \$938,896 for the 2017-2018 tax year, and \$3,129,654 for the 2018-2019 tax year. The blended assessed value for the first year of Condominium operation is estimated to be \$2,034,275, which results in an estimated real estate tax liability for the Condominium of \$262,259. Real estate tax projections were based on the tax rate of 12.892%. Sponsor has not applied for real estate tax benefits under the 421-a tax exemption program.

The policy of DOF is to apportion each Unit's real estate taxes based on its Common Interest. However, the City of New York is not bound by the allocation of Common Interests and may allocate on a different basis. SPONSOR MAKES NO REPRESENTATION THAT THE ASSESSED VALUE OF THE PROPERTY, THE ESTIMATED ALLOCATIONS, OR THE TAX RATE WILL NOT BE CHANGED.

There is no assurance the taxing authority will allocate taxes based on relative apartment size, apartment height, and unit-specific features, as provided in the analysis by MRE. It is therefore possible that owners of Units having the same percentage of Common Interest will pay different amounts of real estate taxes.

No representation or warranty can be made as to (a) whether there will be (i) a further increase in the actual valuation of the Property during the projected budget year or (ii) an increase in the assessed valuation of the Property by reason of the condominium conversion or otherwise, or (b) the method of determining the assessed valuation (whether on a rent roll, market or other basis) or (c) the amount of any increase in the assessed valuation of the Property.

If separate tax assessments have not been made for individual units prior to the closing of title to a Unit, Sponsor will collect from each Purchaser at closing, and will place in escrow in a separate account established by the Sponsor for that purpose, an amount equal to the Unit's estimated proportionate share of the real estate taxes projected to be due for the entire Property for the half of the tax year next commencing after the closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes), based on the method of allocation described above. If the tax assessor indicates that more than one half of a tax year may elapse before the Units are individually assessed, Sponsor shall collect at closing Purchaser's proportionate share of taxes for the upcoming half and shall deposit the same in the account described above. With respect to the balance of the estimated taxes due for the next applicable tax period, the Board of Managers is authorized by Section 2.10(r) of the By-Laws, and shall be obligated to collect monthly escrows from Unit Owners with their Common Charges based upon the estimated tax bill for the entire Property and the then current tax rate deposit the same in the tax escrow account. At the time taxes are due and payable, Sponsor shall pay out of Sponsor's own funds, Sponsor's proportionate share of the Property tax bill allocable to the Unit(s) Sponsor then owns, based on the allocation method described above, and the Board of Managers shall be obligated to cause the release to Sponsor of the appropriate amount of escrowed tax funds in the tax escrow account for Sponsor's use in paying the share of taxes attributable to Units that have been sold and closed to other Unit Owners.

If the actual taxes due for any period for which Sponsor collected escrows are higher than the amount collected and held in escrow, the Board of Managers shall pay the difference and shall bill Unit Owners for their proportionate share of any necessary reimbursement, as a Special Assessment. Sponsor will remain liable for all real estate taxes attributable to Sponsor's Units until Sponsor sells and conveys those Units. If any Unit Owner fails to pay a Unit's pro rata

share of real estate taxes when due, by Common Charge billing, special assessment billing, or both, the Board of Managers will have a lien on such Unit for non-payment thereof, as if such charges were Common Charges.

Prospective Purchasers are advised to read the full text of the real estate tax analysis by MRE for details about the projected real estate tax assessments.

Metropolitan Realty Exemptions, Inc.
118 Middleton Street Brooklyn, NY 11206
Telephone: (718) 387-3004 Facsimile: (718) 228-3503
Email: martin@mretax.com

March 15, 2017

4 AVE BU LLC
308 Malcolm X Boulevard
Brooklyn, NY 11233

RE: 554 4th Avenue
Brooklyn, NY
Block & Lot: 1046-37
Thirty three (33) Residential Units

Dear Sir:

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

The New York City Department of Finance assesses the values in regard to all New York City residential and commercial properties annually. Based on the assessor's determination of the assessment on taxable status date January 5th, the Department of Finance releases tentative assessments of the property value in January of every year and final assessments every May, prior to the beginning of each tax year, which commences July 1st.

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. In regard to one-, two- and three-family homes (tax class 1), Finance estimates market values based on comparable sales. Finance's records indicate that the assessor's assessment on market values, only deviate from actual sales prices by 15 percent or less.

Property tax is only levied on a portion of the market value. This portion is called the assessed value. In regard to 1-3 family homes and Condominiums with no more than three (3) stories, provided such property was previous classified as class one (1), the assessed values are levied on 6% of the market value. In regard to all other properties, taxes are levied on 45% of the market value.

Metropolitan Realty Exemptions, Inc.

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

In reference to the subject premise, the proposed is to construct a mixed use building comprised of thirty three (33) residential condo units and three (3) commercial condo units. 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.

Real Estate Tax liabilities due in reference to the above mentioned structure are as follows:

The first year of condominium operation will begin in January 2018 and end in December 2018. Taxes for the first year of condominium operation will be as follows:

ESTIMATED FULL TAX LIABILITY 2017/2018 AND 2018/2019 TAX YEARS

	Assessed Value	Tax Rate	Real Estate Tax
2017/2018 TAX YEAR	\$938,896	12.892%	\$121,042
2018/2019 TAX YEAR	\$3,129,654	12.892%	\$403,475

ESTIMATED TAXES FIRST YEAR OF CONDOMINIUM OPERATION

	Assessed Value	Tax Rate	Real Estate Tax
50.00% of year 2017/2018	\$469,448	12.892%	\$60,521
50.00% of year 2018/2019	<u>\$1,564,827</u>	12.892%	<u>\$201,737</u>
First year of condo	\$2,034,275		\$262,259

The first year of condominium operation will begin in January 2018 and end in December 2018. Taxes for the first year of condominium operation will be comprised of the taxes due for the 2017/2018 tax year (6 months) and 50.00% of the taxes due for the 2018/2019 tax year.

The blended tax for the first year of condominium operation is forecasted at \$262,259 for all units.

These estimates exclude any exemptions or abatements for which the property may qualify.

You are advised that this projection is an estimate. The actual assessment and real estate tax liability may be more or less than the total assessment and tax liability amount shown.

The real estate tax benefits available to eligible properties under the Co-op/Condo Property Tax Abatement, are as follows:

Metropolitan Realty Exemptions, Inc.

Owners of cooperative units and condominiums who qualify for the Co-op/Condo Property Tax Abatement can have their property taxes reduced. The amount of the abatement is based on the average assessed value of the residential units in the building.

Abatement percentages are shown in the following table:

Average Assessed Value	Benefit Amount Per Year			
	2012/2013	2013/2014	2014/2015	2015/2016
\$50,000 or less	25%	26.5%	28.1%	28.1%
\$50,001 - \$55,000	22.5%	23.8%	25.2%	25.2%
\$55,001 - \$60,000	20%	21.2%	22.5%	22.5%
\$60,001 and above	17.5%	17.5%	17.5%	17.5%

Requirements

- The co-op or condo unit must be the owner's primary residence.
- Co-op or condo owners cannot own more than three residential units in any one development and one of the units must be the owner's primary residence.
- Units owned by a trust are eligible only if the unit is the primary residence of the beneficiary of the trust, trustee, or life estate holder.
- Units owned by sponsors, corporations, partnerships are **not** eligible for the abatement.

The legislation extending the abatement program that was signed into law on January 30th, grants abatements only to units that are the primary residences of their owners. Primary residents can then qualify for abatements on up to 2 additional units in the same cooperative or condominium as their primary residence. Units held in Trust form that are the primary residence of their occupants qualify for continuing abatements. Those held in corporate ownership form do not.

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, the Condominium Board 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.

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

Deductibility of Mortgage Interest and Real Estate Taxes

A Unit Owner will own his or her Unit in fee simple and each Unit will be a separate tax lot for real estate tax purposes. Therefore, each Unit Owner may mortgage his or her Unit with an institutional lender and will be liable for payment of mortgage interest and principal and any real estate taxes assessed against the Unit.

Unit Owners who itemize their deductions, for Federal Income Tax purposes, should be entitled to a deduction of mortgage interest and real estate taxes in the year paid, or accrued, under Sections 163 and 164 of the IRS Code. These deductions are subject, however, to certain exceptions and limitations that are more particularly discussed in the Tax Opinion Letter of Counsel. Each Unit Owner, for New York State and New York City Income Tax purposes, should be entitled to similar deductions for the mortgage interest and real estate taxes paid, or accrued, during the taxable year.

A Unit Owner who uses a Unit for professional or business use or for the production of income, should be entitled, under present law, to a deduction for Federal and New York State income tax purposes for the real estate taxes paid on the Unit and for the interest paid on any mortgage covering the Unit.

Tax Status of Condominium

The Condominium will be managed by the Board of Managers, which shall collect the Common Charges on behalf of the Condominium. Although it is not clear whether the Condominium would be treated as an association taxable as a corporation for Federal tax purposes, there is substantial authority for such treatment. Assuming that it is a taxable entity, the Condominium will file tax returns and be subject to the regular corporate income tax on its taxable income, and its taxable income would be computed as the excess of its gross income over its deductible expenses. However, any portion of the Common Charges that is segregated and used to finance specified capital expenditures should not be included in gross income.

Notwithstanding the foregoing, the Condominium should qualify under Section 528 of the Internal Revenue Code to be exempt from tax on certain income. If the Condominium meets all applicable requirements and properly makes the election, it may be exempt from tax on membership fees, dues and assessments from the Condominium Unit Owners.

No warranty is or can be made by Sponsor or any other person that the United States Treasury Department or the New York State Department of Taxation will allow the aforementioned deductions and no representation or warranty is or can be made that the tax law or the regulations or rulings issued thereunder, or any judicial interpretation thereof, may not

change so as to disallow the deductions in whole or in part. Neither Sponsor nor its counsel shall be liable if it is held that the Unit Owners are not entitled to such income tax deductions or to special exemptions as aforesaid due to changes in applicable law, regulation or decisional law. Neither counsel nor Sponsor shall have any liability should Unit Owners not be entitled to deductions if facts represented by Sponsor are not true.

TAX OPINION OF COUNSEL

MARANS WEISZ & NEWMAN LLC

29 BROADWAY · SUITE 2400 · NEW YORK, NY 10006 · 212 968-0244

March 7, 2017

4 AVE BU LLC
308 Malcolm X Boulevard
Brooklyn, NY 11233

Re: Offering Plan for: The 554 4th Avenue Condominium
Premises: 554 4th Avenue, Brooklyn, New York

To Whom It May Concern:

You have requested our opinion with regard to certain income tax matters relating to the Offering Plan (the “Plan”) for The 554 4th Avenue Condominium (the “Condominium”) including specifically the availability of certain deductions for federal, New York State and New York City income tax purposes with respect to payments of mortgage interest and real estate taxes by individual Unit Owners and the tax treatment to be received by the Condominium.

All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Plan.

You have advised us that the Sponsor will apply to the Department of Law of the State of New York to convert the premises located at 554 4th Avenue, Brooklyn, New York to condominium ownership pursuant to the provisions of Article 9-B of the Real Property Law of the State of New York. The Condominium shall consist of forty (40) Residential Units and three (3) Commercial Units. Each Unit Owner will hold title to his or her Unit in fee simple plus an undivided interest in the Common Elements. Each Unit and its interest in the Common Elements will be taxed as a separate parcel for real estate tax purposes. Each Unit Owner may place a separate mortgage in accordance with the By-laws and the Plan, on his or her Unit and, by doing so incur direct liability for the interest payable on such mortgage. The Condominium will be operated by a Board of Managers which, pursuant to the By-Laws, will act as the agent of the Unit Owners. The primary function of the Board of Managers will be to collect the Common Charges and use such funds to supervise the maintenance and operation of the Common Elements.

In connection with this opinion, we have reviewed various documents included in the Plan, or as exhibits to the Plan, relating to the Condominium including the Declaration and By-Laws.

As part of this opinion, we hereby adopt the opinion of Manhattan Modern Management, Inc. which on March 7, 2017 opined that the allocation of Common Interests (as such term is

defined in the plan) assigned to each unit under this plan is consistent with Real Property Law 339-(i)(1)(iv), and as adopted is hereby incorporated into this opinion. The percentage of Common Interest allocated to each Unit is based upon floor space, subject to the location of such space and 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. We also hereby adopt the opinion of Metropolitan Realty Exemptions, Inc. regarding the Condominium's projected real estate tax liabilities. The opinions as adopted are hereby incorporated into this opinion.

In our opinion under present law, subject to the limitations discussed below, real estate taxes and interest on a mortgage secured by a Unit paid or accrued by an owner of such Unit who is liable for the interest payment on such mortgage and who uses the Unit exclusively as his personal residence will be deductible for federal income tax purposes in the appropriate year according to his or her method of accounting, provided that he or she itemizes his or her deductions. In rendering this opinion we assume that such interest is not prepaid, that the mortgage proceeds were used by the Unit Owner to purchase the Unit, and the Unit Owner is an individual. The foregoing deduction may be impacted by the alternative minimum tax for some taxpayers.

The real estate taxes and mortgage interest described above will also be allowable as deductions for New York State income tax purposes for Unit Owners who are New York State residents who use the Unit as their personal residence. No opinion is expressed as to the taxation of Unit Owners who are not New York State residents or not individuals.

A Condominium under New York State law is not a corporation but an unincorporated association ("Association"). We have been requested to opine as to whether the Association will be eligible to qualify as a tax-exempt organization for federal income tax purposes. In order for the Association to qualify as an exempt organization for federal income tax purposes under Section 528 of the Internal Code, it must meet the following six (6) conditions:

(1) The Association must be organized and operated to provide for the acquisition, construction, management, maintenance and care of the Association's property.

(2) Sixty percent (60%) or more of the Association's gross income must be derived from the payment of dues or fees from the Unit Owners in their capacity as owner-members rather than in the capacity as customers for services.

(3) Ninety percent (90%) or more of the expenditures of the Association for the taxable year must be used for the acquisition, construction, management, maintenance and care of the Association's property.

(4) No part of the net earnings of the Association may inure to the benefit of any individual.

(5) The Association must qualify as a "Condominium management association," which is

an organization meeting the requirements of condition (1) above with respect to a Condominium substantially all of which units are used by individuals as residences.

(6) The Association must properly and timely elect to have Section 528 of the Internal Revenue Code apply for the taxable year.

A Condominium management association is defined as an organization organized and operated to provide for the acquisition, construction, management, maintenance and care of a Condominium, provided substantially all of the Units are used by individuals for residences. “Substantially all” the Units will be considered used by individuals for residences if at least eighty-five percent (85%) of total square footage of all units within the project is used, or is intended to be used by individuals for residential purposes or purposes auxiliary to residential use, such as storage rooms, laundry and areas used by maintenance personnel. You have advised me that you anticipate that greater than eighty-five percent (85%) of the square footage of the Units will be used for residential purposes. Therefore, the “substantially all” test should be deemed met.

Our review of the documents referred to above indicates that the Association meets all the organizational tests described above to qualify for exemption. Therefore, it is our opinion that the Association will not be subject to federal income tax for the taxable years in which such election is in effect, except as note below.

This opinion only relates to the specific tax matters discussed above which do not necessarily comprise all tax matters that may be of significance to the Purchasers of the Units. We express no view as to any federal, New York State or New York City tax consequences other than as explicitly discussed in the opinion or as to the tax status or tax consequences of the Plan under the laws of the United States or any foreign jurisdiction. Therefore, it is strongly recommended that each prospective Purchaser of a Unit consult with his or her own tax advisor concerning the federal, New York State and New York City tax consequences of the purchase and ownership of a Unit in the Condominium. In no event will the Sponsor, Sponsor’s counsel, the Board of Managers, counsel to the Board of Managers or any other person be liable if by reason of changes in fact or applicable law, regulations decisional law or Internal Revenue Service rulings, the tax consequences described above should change. No warranties are made that the tax laws upon which counsel bases this opinion will not change and no one else has been authorized to make any representations other than those contained herein.

This opinion has been prepared with the knowledge that it will be incorporated into the Plan.

Very truly yours,



Marans Weisz & Newman, LLC

WORKING CAPITAL FUND

The Purchaser of each Unit shall be required to make a contribution at the Closing to the working capital fund of the Condominium (the “Working Capital Fund”) in an amount equal to two (2) times the monthly Common Charges due with respect to such Unit as of the Closing. In addition, any contingency budgeted and collected by the board will be deposited in the Working Capital Fund. Sponsor will not be obligated to make any contributions to the Working Capital Fund, except to the extent it is funded by payment of Common Charges. The Working Capital Fund will be held and used for working capital, closing costs and adjustments, unanticipated increases in budgeted or additional Common Expenses, capital repairs or replacement or for such other appropriate purposes as will be determined by the Board of Managers. While Sponsor controls the Board, the Working Capital Fund will not be used to reduce estimated Common Charges. The Board will be able to utilize the money in the Working Capital Fund at any time and accordingly, no representation or warranty can be made and no assurance can be given as to the exact amount of funds available at any specific time; provided, however, that in no event shall any portion of the Working Capital Fund be used to pay any Common Charges attributable to Unsold Units.

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

RESERVE FUND

A reserve fund is being established for the Condominium for the renewal or replacement of building components or systems or the remedy of major building defects (the “Reserve Fund”). Ten percent (10%) of the operating budget will be deposited into the Reserve Fund. The Condominium Board, in its discretion, and subject to certain restrictions contained in the By-Laws, may, in its discretion, decide in future years to increase or decrease the reserve fund line item in the Condominium’s annual budget. While the Sponsor is in control of the Board, Sponsor will not use Reserve Fund monies to reduce common charges. Since the Building is being newly constructed, it is anticipated that the reserve fund as it accumulates will be sufficient to pay for the replacement of any capital items likely to be needed within the first five (5) years of Condominium operation.

No representation or warranty is made that the Working Capital Fund or 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 government agency has passed upon the adequacy of the Reserve Fund.

MANAGEMENT AGREEMENT, CONTRACTS AND LICENSES

The Condominium will enter into a management agreement with Choice NY Property Management, with offices at 254 West 31st Avenue, 6th Floor, New York, New York 10001, effective as of the first Unit closing. Choice NY Property Management is not an affiliate of Sponsor. The annual fee due the Managing Agent under the management agreement is \$21,000.00 to be paid in monthly installments of \$1,750.00 each month. The management fees are at prevailing rates. The Board of Managers or the Managing Agent may terminate the Management Agreement at any time upon at least thirty (30) days prior written notice to the other party.

The Agent shall perform the following services using commercially reasonable efforts, due diligence and care in accordance with NYC industry standards applicable to first class properties like the Building:

- (a) Subject to the terms of the Management Agreement, cause to be hired, paid and supervised, all persons necessary to be employed in order to properly maintain and operate the Building who, in each instance shall be the Agent's employee, and cause to be discharged all persons unnecessary or undesirable. Notwithstanding anything to the contrary herein contained, no employee shall be hired and/or terminated without the prior approval of the Board of Managers.
- (b) Cause the Building to be maintained in such condition as may be deemed reasonably advisable by the Board, including interior and exterior cleaning, (but excluding the areas that are defined in the Offering Plan as Unit Owner Property) and cause repairs of the Building to be made, including, but not limited to, electrical, plumbing, steam fitting, carpentry, masonry, elevator, decorating, and such other incidental alterations or changes therein as may be proper, subject only to the limitations contained in this agreement. Ordinary repairs, alterations, or supplies involving an expenditure of over One Thousand Five Hundred Dollars (\$1,500.00) for any one item shall be made only with the prior approval of the Board, but emergency repairs, i.e., those immediately necessary for the preservation or safety of the Building or for the safety of occupants or other persons, or required to avoid the suspension of any necessary service in the Building, may be made by the Agent irrespective of the cost thereof, without the prior approval of the Board. To the extent reasonably possible Agent shall first consult the Board in the event of an emergency.

The above notwithstanding, (except in the case of an emergency) before repairs in any unit are commenced, the Agent shall make a determination pursuant to the requirements of the house rules, by-laws and the Board as to whether the financial responsibility for said repairs is that of the Board or the unit owner. If possible the unit owner shall be given reasonable advanced notice of financial responsibility and when the repair will commence. For all repairs where the unit owner is responsible, the Agent shall direct that contractors bill the unit owner directly or collect any sums required from the unit owner.

- (c) Recommend, and with the approval of the Board, cause all such acts and things to be done in or about the Building as shall be reasonably necessary or desirable to comply with any and all orders or violations affecting the Building, placed thereon by any federal, state, or municipal authority having jurisdiction there over, and order of the New York Board of Fire Underwriters, the New York Fire Insurance Exchange or other similar body, except that if failure promptly to comply with any such order or violation would or might expose the Board or the Agent to criminal liability, the Agent may cause such order or violation to be complied with after consulting with the President, Vice President, or Treasurer of the Board where reasonably practical. The Agent shall notify the Board promptly after receipt by the Agent in writing of any order or violation, as aforesaid. At Board's expense, Agent may engage an expediter to process all paperwork associated with the curing of violations.
- (d) Enter into contracts for electricity, gas, steam, air-conditioning, water treatment, elevator, telephone, window cleaning, rubbish removal, fuel oil, detective agency protection, vermin extermination and other services or such of them as shall be advisable, but any such contract (other than with a public utility) having a term of twelve (12) months or longer or requiring monthly payments in excess of Two Hundred Fifty Dollars (\$250.00) must be authorized by the Board.
- (e) Purchase all supplies which shall be necessary to properly maintain and operate the Building, make all such contracts and purchases in either the Boards or the Agents name, as the Agent shall elect, subject to expense limits set forth in the management agreement.
- (f) Consult with the Board with respect to proper insurance coverage of the Building and its employees. If requested by the Board, cause to be affected and/or maintained, in such amounts and through such carriers as the Board shall designate or approve, fire, rent, plate glass, boiler, water damage, liability, worker's compensation, employer's liability, disability and any other requested insurance coverage. It is expressly understood and agreed that Agent may participate in the commissions received from the placement of insurance with many insurance brokers, and it may receive commissions on the placement of insurance for Board. Nothing contained in this provision shall be deemed to limit Board's absolute right to designate any insurance broker to place its insurance.
- (g) Review and check all bills received for services, work, and supplies ordered in connection with maintaining and operating the Building, pay or cause to be paid all such bills, mortgage interest (if requested by Board), mortgage amortization (if requested by Board), water charges, sewer rent, assessments, real estate taxes and corporate franchise and other taxes assessed against the Building as and when the same shall become due and payable, if Board's funds are available for timely payment.

- (h) Accept applications and references from all prospective purchasers and tenants, obtain credit reports relating to prospective purchasers and tenants of space being sold or leased by the Board, and disseminate same to members of the Board.
- (i) Organize the moving in and out of unit owners and tenants and, as far as possible, arrange the dates thereof so that there shall be a minimum of disturbance to the operation of the Building and of inconvenience to unit owners or occupants.
- (j) Bill, or cause to be billed, and collect common charges and other charges and assessments payable to the Board by all unit owners and licensees and use all commercially reasonable efforts to collect such charges. Cooperate with the Board's efforts to enforce the by-laws including, without limitation, to sue for any charges which may at any time be or become due to the Board from any unit owner, institute summary proceedings to recover possession thereof and, with the consent of the Board's attorneys, employ and pay special counsel, at Board's cost, if necessary, for any such purposes, but no suit or summary proceedings shall be instituted unless the Board's written authorization thereof is first obtained. The Agent will honor every such request by the Board so long as the action requested is in accordance with all laws of the City of New York, the State of New York, and any other applicable laws.
- (k) Consider and, when reasonable, attend to complaints of unit owners. If the Agent shall deem any such complaint unreasonable or cannot satisfactorily attend to a complaint, it shall advise the Board of the complaint and the reason for its opinion that the complaint is unreasonable, or for the reason that it cannot attend to the complaint and make appropriate recommendations.
- (l) Cause to be prepared and filed the necessary forms for unemployment insurance, withholding and social security taxes and all other tax and other forms relating to employment of Building employees and maintenance and operation of the Building required by any federal, state or municipal authority. Agent will have discretion to use such payroll service for payment of Board's employees. The costs of the foregoing shall be borne by the Board and the Condominium.
- (m) On or about the twenty-first day of each month, render or cause to be rendered regular monthly statements, to the Board, with remittance of amounts collected during the previous month less disbursements made on behalf of and for the account of the Board and less, also, all such amounts as in the reasonable judgment of Agent it may be necessary or advisable to reserve or withhold to meet obligations due or which will or may become due thereafter and for which current income will not be adequate.
- (n) Cause to be set up and kept in good order reports, records and books, (other than books of accounts maintained by the Board's accountants) for the Board, and maintain orderly files containing common charge records, insurance policies, correspondence, contracts,

bank statements, receipted bills and vouchers, and all other documents and papers pertaining to the Building or the operation thereof, consistent with customary records and books kept by Agent for other condominium associations and the same shall be and shall at all times remain the property of the Board, and the Agent shall upon request of the Board make same available to the Board, the Board's accountants, attorneys or other representatives.

- (o) Cooperate with the Board's accountants in regard to an annual audit of the books of account of the Board, including the annual report of the operations of the Board for the year then ended. A copy of each such annual report shall be sent by the Agent to each unit owner, if requested. The annual certified financial statement of the Board will not be prepared by Agent; such statement will be prepared by an independent certified public accountant engaged by the Board, at the Board's expense.
- (p) Cooperate with the Board's accountants in regard to the preparation and filing on behalf of the Board of federal, state, city and any other income and other tax returns required by any governmental authority.
- (q) Cooperate with the Board's accountants in the preparation and submission annually to the Board, an operating budget setting forth the anticipated income and expenses of the Board for the ensuing fiscal year, a comparison of such budget to the income and expenses of the preceding and current years and any required explanations with respect hereto.
- (r) Unless otherwise directed by the Board, send notices to Managers and unit owners, cause a representative of its organization to attend up to ten (10) meetings of the Board of Managers per year and one (1) annual meeting of unit owners, together with all other meetings reasonably requested by the Board.
- (s) At the Board's expense, prepare and send out all letters, legal filings and reports as the Board may reasonably request, so far as Agent has possession of such documents.
- (t) When the books of tentatively assessed valuations of the City of New York are opened for public inspection in each year, ascertain the assessment of the land on which the Building is located and the assessment of the Building and report such assessments to the Board. Should the Board consider such assessments excessive, the Agent will, if requested by the Board, cooperate with the Board's attorneys in the preparation of an application for correction of the assessed valuation to be filed with the Tax Commission of the City of New York.
- (u) Process applications by unit owners of the Building for permission from the Board to alter their units for a reasonable and customary fee (in accordance with the terms of Schedule A annexed hereto) and forward such applications to the appropriate agent or

officers of the Board or, at the Board's direction, to the Board's engineer or architect; subject to the Board's consent, retain on behalf of the Board an engineer or architect to review plans and specifications; coordinate with the Board's superintendent and with the unit owner undertaking the alteration, for the use of Building services and equipment, if necessary. The Agent shall cause each such unit owners to execute and deliver the form of alteration agreement required by the Board.

(v) Provide the Board with a 24-hour-a-day emergency number of Agent's professional management staff to be available to dispatch via phone and email to dispatch the Superintendent or the most suitable contractor or servicer for emergency situations. This numbers shall be (212) 982-3600 ext. 209, or suitable alternate at which point Agent must notify the Board of an alternative 24-hour-a-day emergency number.

(w) All funds collected by the Agent for the account of the Board shall be deposited in such bank or trust company in the City of New York in a general deposit account. Said depository will be selected by Agent. All such funds shall be held in a special account in the name of the Agent, as agent in the name of the Board and will not be co-mingled with Agent's funds or other funds collected by the Agent, as agent for others, but the Agent shall be under no liability or responsibility for any loss resulting from the insolvency of such depository. The Agent shall not invest any of the funds of the Board unless otherwise directed in writing by the Board. The Agent shall not be liable for any losses suffered in connection with such investment. Any banking fees, or charges, in connection with such investment shall be paid out of the funds. All funds to be held in F.D.I.C. Insured institutions, unless directed otherwise in writing by the Board.

Agent shall promptly deposit all monies of any kind collected from the Building received by Agent for or on behalf of the Board in a type of deposit and operating account in a financial institution designated by the Agent. The deposit operating account will be opened at:

Signature Bank
261 Madison Avenue
New York, New York 10016

All interest in deposit, operating and disbursement accounts shall be the sole property of the Board. Agent will have a maximum withdraw amount of Ten Thousand Dollars (\$10,000.00). Above the aforementioned amount, a member of the Board's signature is required for Agent to withdraw funds unless the Board agrees to waive this requirement for any large scaled project. Agent may not conduct two consecutive withdraw transactions in aggregate of Ten Thousand Dollars (\$10,000.00) within three business days, single or in the aggregate, or any like conscious act to evade the intent of this privilege. All sums collected and held by Agent relating to the Building and all sums placed in the account are held in trust for the Board.

To the extent a disbursement or capital account is maintained, Agent may draw upon the

disbursement or capital account only to pay (in the following order of importance):

- (i) Debt service payments;
- (ii) The Management (Agent) Fee;
- (iii) Operating expenses; and
- (iv) Amounts payable to the Board in each case in accordance with the Approved Business Plan and the terms of the Management Agreement.

The Board will also commit to maintaining a minimum balance of Twenty Five Thousand Dollars (\$25,000.00) so as to allow for proper capital for Agent to perform the duties set forth above.

- (x) Agent shall require, and use its reasonable efforts to assure that all parties performing work or providing labor, goods, utilities or services to or at the Building maintain all insurance requirements satisfactory to the Board and any mortgagee of the Building or any portion thereof (so long as such mortgagee's requirements have been communicated to Agent) including, but not limited to, Workers' Compensation Insurance, Employer's Liability Insurance and comprehensive general liability insurance against liability for injury to persons and property arising out of all such contractors', subcontractor's suppliers', or other entities' operations, and the use of owned, non-owned or hired automotive equipment in the pursuit of all such operations.

The Board hereby waives all rights of recovery against Agent and/or any insurance carrier of Agent for any loss to the extent such loss is insured under any insurance policy covering the Building. The Board agrees to obtain endorsements from the insurance carrier, expressly providing a waiver of any rights of subrogation.

Agent shall require that each contractor engaged to perform any work at the Building maintain insurance coverage, at the contractor's expense, in not less than the following amounts:

- (i) Worker's Compensation – Statutory amount;
- (ii) Employer's Liability – \$500,000 minimum;
- (iii) Comprehensive General Liability – \$1,000,000 combined single limit for personal injury and property damage; \$2,000,000 aggregate;
- (iv) Automobile Liability – \$1,000,000 combined single limit; and
- (v) Damage to Rented Premises – \$50,000

Agent shall not waive any of the above requirements without the Board's prior written consent. The Board may, by written notice to Agent, require the maintenance in higher amounts than those specified above if, in the Board's reasonable judgment, the work to be performed on the Building by such contractor is particularly hazardous. Agent shall obtain and keep on file a Certificate of Insurance evidencing the insurance required herein naming the Board and Agent as

additional insured, and shall provide the Board with copies thereof.

Agent shall provide timely written reports to the Board, and as further directed, in writing by the Board to the insurance carrier concerning all accidents and claims for damage relating to the ownership, operation and maintenance of the Building promptly after it is made ware thereof, and shall promptly prepare any reports required by the Board or an insurance carrier in connection therewith. Copies of such reports above referenced shall be delivered to the Board's representative. Agent is not authorized to settle any commercial general liability claims with or against insurance companies arising out of any policies, including the execution of proofs of loss, the adjustment of losses, signing of receipts, and the collection of money, without the express written consent and approval of the Board. For processing of the Board's insurance claims, Agent may charge a fee of Eighty-Five dollars (\$85.00) per hour at a maximum of 25 billed hours.

Generally, do all things reasonably customary and desirable for the proper management of the Building, consistent with proper management of similar Buildings in New York City.

There are presently no contracts or licenses binding on the Condominium.

Pursuant to the terms of the proposed Management Agreement, the Agent shall be entitled to reimbursement cost by the Board for all reasonable expenses to Third Parties incurred by Agent in connection with the performance of its duties including but not limited to postage, freight and messenger services. Additionally, Agent shall not be liable for any good faith error of judgement or for any mistake of fact or law, or for action taken on advice of Agent's counsel and accountants, or for anything which it may do or refrain from doing in good faith and in pursuance of its duties and activities hereunder.

The Management Agreement may not be assigned without prior written consent of the Board or by Board without prior written consent of Agent and any attempted assignment without such consent shall be null and void.

IDENTITY OF PARTIES

Sponsor

The Sponsor of the Offering Plan is 4 AVE LLC, New York limited liability company filed with the New York State Department of State July 7, 2014. Sponsor's office address is 308 Malcolm X Boulevard, Brooklyn, New York 11233. Sponsor has not been the sponsor of any other cooperative or condominium conversion plan within the last five (5) years.

The principal of the Sponsor is Boaz Gilad. Mr. Boaz Gilad co-founded Brookland Capital in 2011. He is responsible for over five hundred units in development. Prior to co-founding Brookland Capital, Mr. Boaz Gilad was the CEO of ORE International LLC where he was responsible for developing over 600 units and private homes. He has been involved in the development of real estate in New York for over 15 years.

Boaz Gilad has been principal of the Sponsor in the following prior offerings during the past five (5) years.

<u>Condominium Plan</u>	<u>File No.</u>	<u>Accepted for Filing</u>
433 Warren Street Condominium 433 Warren Street Brooklyn, NY	CD06-0051	6/30/2006
34 Crooke Avenue Condominium 34 Crooke Avenue Brooklyn, NY	CD06-0380	2/22/2008
154 Skillman Avenue Condominium 154 Skillman Avenue Brooklyn, NY	CD07-0006	12/4/2007
Washington At Clinton Condominium 470 Washington Avenue Brooklyn, NY	CD08-0026	8/26/2008
226 Stanhope Street Condominium 226 Stanhope Street Brooklyn, NY	CD08-0027	8/4/2008
659 Bergen Street Condominium 659 Bergen Street Brooklyn, NY	CD-08-0131	4/1/2009
Park Place Condos 765 Park Place Brooklyn, NY	CD-08-0134	8/5/2008
355A Halsey Condominium 355A Halsey Street Brooklyn, NY	CD10-0260	2/2/2011
The 940 Fulton Street Condominium	CD11-0032	6/6/2011

940 Fulton Street Brooklyn, NY		
478 Grand Avenue Condominium 478 Grand Avenue Brooklyn, NY	CD11-0112	11/28/2011
708A Degraw Street Condominium 708A Degraw Street Brooklyn, NY	CD13-0134	2/27/2014
260 Greene Avenue Condominium 260 Greene Avenue Brooklyn, NY	CD13-0144	3/12/2014
262 Greene Avenue Condominium 262 Greene Avenue Brooklyn, NY	CD13-0145	3/12/2014
264 Greene Avenue Condominium 264 Greene Avenue Brooklyn, NY	CD13-0146	3/12/2014
875 St. Marks Avenue Condominium 875 St. Marks Avenue Brooklyn, NY	CD13-0154	2/27/2014
156 Broadway Condominium 156 Broadway Brooklyn, NY	CD13-0177	12/11/2014
1192 Bedford Avenue Condominium 1192 Bedford Avenue Brooklyn, NY	CD13-0204	4/11/2014
186 Putnam Avenue Condominium 186 Putnam Avenue Brooklyn, NY	CD13-0226	2/2/2015
13 Melrose Street Condominium 13 Melrose Street Brooklyn, NY	CD14-0012	8/15/2014
954 Bergen Street Condominium 954 Bergen Street Brooklyn, NY	CD14-0157	11/21/2014
531 Vanderbilt Avenue Condominium 531 Vanderbilt Avenue Brooklyn, NY	CD14-0163	11/3/2014
357 Prospect Place Condominium 357 Prospect Place Brooklyn, NY	CD14-0174	12/18/2014
735 Bergen Street Condominium 735 Bergen Street Brooklyn, NY	CD14-0221	11/13/2014
737 Bergen Street Condominium 737 Bergen Street Brooklyn, NY	CD14-0222	11/13/2014

303 Cooper Street Condominium 303 Cooper Street Brooklyn, NY	CD14-0283	3/12/2015
305 Cooper Street Condominium 305 Cooper Street Brooklyn, NY	CD14-0284	3/12/2015
307 Cooper Street Condominium 307 Cooper Street Brooklyn, NY	CD14-0285	3/12/2015
309 Cooper Street Condominium 309 Cooper Street Brooklyn, NY	CD14-0286	3/12/2015
1094 Madison Street Condominium 1094 Madison Street Brooklyn, NY	CD14-0343	4/10/2015
266 Greene Avenue Condominium 266 Greene Avenue Brooklyn, NY	CD14-0376	4/16/2015
268 Greene Avenue Condominium 268 Greene Avenue Brooklyn, NY	CD14-0377	4/16/2015
658 Washington Avenue Condominium 658 Washington Avenue Brooklyn, New York	CD15-0023	1/6/2016
223 Pulaski Street Condominium 223 Pulaski Street Brooklyn, New York	CD15-0128	9/2/2015
447 Decatur Street Condominium 447 Decatur Street Brooklyn, New York	CD15-0171	10/21/2015
449 Decatur Street Condominium 449 Decatur Street Brooklyn, New York	CD15-0172	10/21/2015
328 Central Avenue Condominium 328 Central Avenue Brooklyn, New York	CD15-0388	5/20/2016
207 Wyckoff Street Condominium 207 Wyckoff Street Brooklyn, New York	CD16-0023	6/29/2016
729 Decatur Street Condominium 729 Decatur Street Brooklyn, New York	CD16-0013	10/18/2016
664 Jefferson Avenue Condominium 664 Jefferson Avenue Brooklyn, New York	CD15-0355	4/1/2016
116 Covert Street Condominium	CD16-0021	6/6/2016

116 Covert Street Brooklyn, New York		
443 Bainbridge Street Condominium 443 Bainbridge Street Brooklyn, New York	CD16-0022	6/16/2016
98 16 th Street Condominium 98 16 th Street Brooklyn, New York	CD16-0155	Not yet accepted for filing
1255 Bushwick Avenue Condominium 1255 Bushwick Avenue Brooklyn, New York	CD17-0031	Not yet accepted for filing
The 189 Cooper Street Condominium 189 Cooper Street Brooklyn, New York	Submitted for review 3/1/17	Not yet accepted for filing

Mr. Boaz Gilad is current on his financial obligations to the above listed public offerings. There are no other cooperative, condominium or homeowners association that the Sponsor or principal of Sponsor owns ten percent (10%) or more of the unsold share or units.

Neither the Sponsor nor the principal of Sponsor have any prior bankruptcies, convictions, injunctions and judgments against the Sponsor, the principal of the Sponsor, and/or entities in which the principal of the Sponsor was a principal that would be material to the Offering Plan or to an offering of securities generally and that occurred within the fifteen (15) years prior to the submission of this Plan.

Attorney for Sponsor

The Sponsor has retained the law firm of Marans Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006 (212-968-0244) to represent it in the preparation and consummation of the Offering Plan. The principal attorney who is responsible for this matter is Richard Marans, Esq. The attorney who prepared the Plan is Jason Nazinitsky, Esq. This firm drafted the Declaration, the By-laws, this Plan, the form of Purchase Agreement, the form of Unit Deed and all other documents necessary in connection with the formation of the Condominium, and is advising the Sponsor in connection with all legal matters incidental thereto. No separate counsel has been retained to represent the Condominium. Marans Weisz & Newman LLC has no financial relationship, past or present, in the Property or to the Sponsor, except that it is being paid a fee for its services.

Managing Agent

Sponsor intends to retain Choice NY Property Management, LLC, with offices at 254 West 31st Avenue, 6th Floor, New York, New York 10001, to manage the Building. The Managing Agent has extensive experience in the management of real estate properties in the New York City area. They currently manage approximately seventy (70) properties, comprising approximately 1,000 residential and commercial units. These properties include, but are not

limited to, 531 Vanderbilt Avenue, Brooklyn, New York 11238, 186 Putnam Avenue, Brooklyn, New York 11216, 212 North 9th Street, Brooklyn, New York 11211, 47-28 11th Street, Queens, New York 11101 and 206 Front Street, Brooklyn, New York 11201. There are no prior convictions, injunctions or judgments against the managing agent or any principal thereof that would be material to this offering. The Managing Agent and its principals have no relationship, past or present, to the Sponsor or principals of Sponsor, other than that the Managing Agent will be paid a fee for its services.

Selling Agent

Douglas Elliman, LLC d/b/a Douglas Elliman Real Estate, having a business office at 575 Madison Avenue, New York, New York 10022 is a licensed real estate broker in the State of New York and is the Selling Agent retained by Sponsor in connection with the offering of the Units.

Douglas Elliman Real Estate and its predecessors have been engaged in the sale of condominium and cooperative apartments in New York City for over 40 years. Some of those properties include: 432 Park Avenue, New York, New York; 150 Charles Street, New York, New York; 10 Madison Square West, New York, New York; 71 Laight Street, New York, New York; 36 Bleeker Street, New York, New York; 100 Eleventh Avenue, New York, New York; 333 East 91st Street, New York, New York; 365 Bridge Street, Brooklyn, New York and 11-24 31st Avenue, Long Island City, New York.

Douglas Elliman Real Estate and its principals have no prior felony convictions. During the past fifteen (15) years, there were no prior convictions, injunctions or judgments against Douglas Elliman Real Estate or any of its principals that may be material to this Plan or to an offering of securities generally. Douglas Elliman Real Estate has no financial relationship, past or present, to the Sponsor.

Architect

The Sponsor has retained Paul Gregory of Feingold & Gregory Architects, P.C., having an office at 118 West 83rd Street, New York, New York 10024 to prepare the Description of Property and Specifications, located in Part II of the Plan. Feingold & Gregory was formed in the 1990s, and is involved in the design and construction of a wide range of residential, commercial and community facility spaces located in the Upper West Side of Manhattan and the outer boroughs. Sponsor's architect has no financial relationship, past or present, to the Property or to the Sponsor, except in its capacity as architect, and is being paid a fee for its services.

REPORTS TO UNIT OWNERS

The Board of Managers shall furnish to all Unit Owners, their mortgagees and the Department of Law of the State of New York (if and when required by law) and shall present annually (at the annual meeting) and when called for by a vote of the Unit Owners at any special meeting of the Unit Owners, a full and clear statement of the business conditions and affairs of the Condominium, including a balance sheet and profit and loss statement verified by an independent public accountant and a statement regarding any taxable income attributable to the Unit Owners. The Board of Managers, at least annually, shall fix and determine the annual budget and send a copy of the budget and any supplement to every Unit Owner and mortgagee. The total annual requirement shall be assessed as a single sum against all Units and prorated against each of the Unit according to the respective Common Interest apportioned to each Unit.

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

- (i) a financial statement of the Condominium prepared by a certified public accountant or public accountant within four (4) months from the end of such fiscal year; such statement shall be certified while the Sponsor is in control of the Board of Managers;
- (ii) prior notice of the annual Unit Owners' meeting; and;
- (iii) a copy of the proposed annual budget of the Condominium within four (4) months from the end of such fiscal year prior to the date set for adoption thereof by the Board of Managers. Such statement shall be certified while the Sponsor is in control of the Board of Managers.

DOCUMENTS ON FILE

Copies of this Plan and all exhibits or documents submitted to the Department of Law in connection with the filing of the plan shall be made available for inspection by prospective Purchasers and by any person who shall have purchased a Unit offered under this Plan, or shall have participated in the offering of such Unit, at the office of Sponsor during convenient weekday hours, and shall remain available without charge and copying at reasonable charge for a period of six (6) years from the date of the First Unit Closing. Sponsor shall, within 180 days after the First Unit Closing, deliver to the Condominium Board a copy of all documents filed with the appropriate recording officer at the time of the closing of the first Unit.

GENERAL

This Plan does not knowingly omit any material fact or knowingly contain any untrue statement of a material fact. This Plan does not contain a full summary of all of the provisions of the various documents referred to herein. Statements made as to the provisions of such documents are qualified in all respects by the contents of such documents.

There are no lawsuits or administrative or other proceedings, the outcome of which may materially affect this offering, the Property, the Condominium, the operation of the Condominium or Sponsor's capacity to perform its obligations under the Plan, which have not been disclosed herein.

In accordance with the provisions of the laws of the United States and the State of New York, Sponsor represents that Sponsor will not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in the sale of the Units offered by Sponsor pursuant to this Plan.

The property was not the subject of any prior cooperative or condominium offerings. Other than the No-Action Letter as described herein, no contracts or agreements have been entered into, and no deposits or advances of funds have been accepted, for any Unit offered pursuant to this Plan as of the date this Plan is accepted for filing by the Department of Law.

All Units offered pursuant to this Plan are vacant as of the date this Plan is accepted for filing by the Department of Law.

Sponsor reserves the right, from time to time prior to the Closing Date, without obtaining the consent of Purchasers, to revise the terms and conditions on which the Units offered hereby are sold, including changes affecting the rights, obligations, and liabilities of Purchasers. All material revisions will be contained in a duly filed amendment to this Plan. If a material revision adversely affects the rights, obligations, or liabilities of the existing Purchasers, Purchasers will be given the right to rescind their Purchase Agreements and to receive a refund of their down payment (with interest, if any earned thereon) within fifteen (15) days after the presentation of the amendment.

RESERVATION OF AIR AND DEVELOPMENT RIGHTS

The unused floor area development rights that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution (the “Development Air Rights”) shall be retained by Sponsor or any entity to whom Sponsor conveys said Development Air Rights for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar and related agreements. Sponsor or any entity to whom Sponsor conveys Development Air Rights shall have the right to amend the Declaration and any ZLDA that exists pertaining to the Building, in order to convey Development Air Rights (the “Air Rights Amendment”). Sponsor or any entity to whom Sponsor conveys the Development Air Rights shall have the right to complete and file the Air Rights Amendment with the City of New York without the consent of the owners of the Condominium Units or the Board of Managers or any parties in interest to the Common Elements. The owners of the Condominium Units, the Board of Managers and/or any parties in interest to the Common Elements shall be deemed to have consented to the transfer of Development Air Rights as described in the Air Rights Amendment and shall execute any documents evidencing said consent as are reasonably requested by Sponsor. In the event Development Air Rights are transferred to an adjoining premises, the light, air and views from the Building may be negatively impacted. Notwithstanding the foregoing, neither Sponsor nor any entity to whom Sponsor conveys the Development Air Rights to may utilize the Development Air Rights to increase the size, height, bulk or density of any portion of the Property. See the INTRODUCTION and the RIGHTS AND OBLIGATIONS OF THE SPONSOR sections of the Plan in Part I and the DECLARATION in Part II.

SPONSOR’S STATEMENT OF BUILDING CONDITION

Sponsor adopts the Architect’s Description of Property and Specifications set forth in Part II of this Plan. Sponsor represents that, to the best of its knowledge, the Description of Property and Specifications set forth in Part II of this Plan, prepared by Paul Gregory of Feingold & Gregory Architects, P.C., 118 West 83rd Street, New York, New York 10024, registered architects in the State of New York, accurately states the description of the Property and its specifications, as it will be built, upon the plans that it has examined.

THE 554 4TH AVENUE CONDOMINIUM

OFFERING PLAN

PART II

FORM OF PURCHASE AGREEMENT

Purchaser(s)

With

4 AVE BU LLC

Sponsor/Seller

Unit Number ____

The 554 4th Avenue Condominium
554 4th Avenue, Brooklyn New York

PURCHASE AGREEMENT

Unit Number ____
The 554 4th Avenue Condominium
554 4th Avenue
Brooklyn, New York

(to be executed in duplicate)

THIS PURCHASE AGREEMENT (this "Agreement"), made as of the ____ day of ____, 201____, between 4 AVE BU LLC, a New York limited liability company, having an office at 308 Malcolm X Boulevard, Brooklyn, New York 11233 (hereinafter, "Sponsor"), and _____, having an address at _____ (hereinafter, "Purchaser").

WITNESSETH:

1. Definitions. Terms used in this Agreement and not otherwise defined herein shall have the meanings set forth in the Offering Plan for the 554 4th Avenue Condominium (the "Condominium") (such plan, together with any amendments thereto filed prior to the date hereof, is hereinafter referred to as the "Plan").

2. The Residential Unit. Sponsor hereby agrees to sell to Purchaser and Purchaser hereby agrees to acquire from Sponsor Condominium Unit No. ____ (the "Unit") at the Condominium (as designated in the Declaration), together with the undivided percentage of common interest in the Common Elements as set forth in the Schedule B to the Declaration and as set forth in the Offering Plan, upon and subject to the terms and conditions set forth herein.

3. Purchase Price.

3.1 The purchase price for the Residential Unit is \$_____ (the "Purchase Price") payable as follows:

(a) \$_____ (the "Deposit"), due upon the signing and submitting of this Agreement, receipt of which (subject to collection) is hereby acknowledged; and

(b) \$_____ (the "Balance"), constituting the balance of the Purchase Price, payable at the closing as hereinafter provided.

3.2 All checks shall represent United States currency, be drawn on or issued by a New York bank that is a member of the New York Clearing House Association and shall be unendorsed. Checks for the Deposit shall be Purchaser's good check(s) or, at Sponsor's option, Purchaser's certified check(s) or an official bank check(s), made payable to the direct order of "Marans Weisz & Newman LLC, as escrow agent". The check or checks for the Balance and all other sums due Sponsor pursuant to this Agreement shall be good certified check of Purchaser or official bank or cashier's check, made payable to the direct order of "4 AVE BU LLC" (or such

other party as Sponsor directs to Purchaser, in writing, prior to the date of closing of title). If any check is returned, dishonored or fails collection for insufficient funds or for any other reason, the Escrow Agent (as defined in Article 4) is authorized to deliver such check to Sponsor and Sponsor will have the choice of remedies set forth in the Plan and in this Agreement with respect to an Event of Default (including without limitation, suing on such dishonored check or (at Sponsor's option) canceling this Agreement and returning the instrument to Purchaser without affording Purchaser a grace period to cure such default).

4. Deposit.

4.1 The law firm of Marans, Weisz & Newman, LLC, with an address at 29 Broadway, Suite 2400, New York, New York 10006, telephone number 212-968-0244, shall serve as escrow agent (the "Escrow Agent") for Sponsor and Purchaser. Escrow Agent has designated Richard Marans, Esq., Daniel Weisz, Esq. and Richard Newman, Esq. to serve as signatories on the "Escrow Account", as defined below. 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 the in any of the foregoing.

4.2 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 Purchase Agreement or otherwise concerning the release of the Deposit from escrow.

4.3 The Escrow Agent has established the escrow account at Santander Bank, 200 Liberty Street, New York, New York 10281, in the State of New York ("Bank"), a bank authorized to do business in the State of New York. The escrow account is entitled the 554 4th Avenue Condominium Escrow Account ("Escrow Account"). The Escrow Account is not an IOLA account. The Escrow Account is federally insured by the FDIC at the maximum amount of \$250,000 per deposit. Any deposit in excess of \$250,000 will not be insured, unless Escrow Agent has established multiple accounts on behalf of Purchaser at various institutions. Within five (5) business days after this Purchase Agreement has been executed by Purchaser, Seller, and Escrow Agent, Escrow Agent shall place the Deposit into the Escrow Account. Within ten (10) business days after the Deposit has been placed into the Escrow Account, Escrow Agent shall sent written notice to the Purchaser and Seller. The notice shall provide the account number and the initial interest rate to be earned by the Deposit.

4.4 All Deposits received from Purchaser shall be in the form of checks, money orders, wire transfers, or other instruments, and shall be made payable to or endorsed by the Purchaser to the order of Marans Weisz & Newman, LLC, as Escrow Agent.

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

4.6 Within five (5) business days after the Purchase Agreement has been tendered to Escrow Agent along with the Deposit, the Escrow Agent shall sign the Purchase Agreement and place the Deposit into the Escrow Account. Within ten (10) business days of the

placing the deposit in the Escrow Account, Escrow Agent shall provide written notice to Purchaser and Sponsor, confirming the Deposit. The notice shall provide the account number and the initial interest rate to be earned on the Deposit. Any Deposits made for upgrades, extras, or custom work shall be initially deposited into the Escrow Account, and released in accordance to the terms of the Purchase Agreement.

4.7 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, NY 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.

4.8 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.

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

4.10 The Escrow Agent shall release the Deposit if so directed:

- (a) Pursuant to terms and conditions set forth in the Purchase Agreement in Section 4 upon closing of title to the Unit; or
- (b) In a subsequent writing signed by both Sponsor and Purchaser; or
- (c) By a final, non-appealable order or judgment of a court.

If the Escrow Agent is not directed to release the Deposit pursuant to paragraphs 4.10 (a-c) above, and the Escrow Agent receives a request by either party to release the Deposit, then the Escrow Agent must give both the Purchaser and Sponsor prior written notice of not fewer than thirty (30) days before releasing the Deposit. If the Escrow Agent has not received notice of objection to the release of the Deposit prior to the expiration of the thirty (30) day period, the Deposit shall be released and the Escrow Agent shall provide further written notice to both parties informing them of said release. If the Escrow Agent receives a written notice from either party objecting to the release of the Deposit within said thirty (30) day period, the Escrow Agent shall continue to hold the Deposit until otherwise directed pursuant to paragraphs 4.10 (a) through 4.10 (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 is located and shall give written notice to both parties of such deposit.

4.11 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 acceptance 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.

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

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

4.14 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).

4.15 Escrow Agent may rely upon any paper or document which may be submitted to it in connection with its duties under this Purchase 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.

4.16 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.

4.17 Sponsor shall obtain or cause the selling agent under the Plan to obtain a completed and signed Form W-9 or W-8, as applicable, from Purchaser and deliver such form to Escrow Agent together with the Deposit and this Purchase Agreement.

4.18 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.

4.19 Sponsor agrees to defend, indemnify, and hold Escrow Agent harmless from and against all costs, claims, expenses and damages incurred in connection with or arising out of Escrow Agent's responsibilities arising in connection with this Purchase Agreement or the performance or non-performance of Escrow Agent's duties under this Purchase Agreement,

except with respect to actions or omissions taken or suffered by Escrow Agent in bad faith or in willful disregard of the obligations set forth in this Purchase 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.

5. Closing Date and Place.

5.1 The closing of title shall be held at the offices of Marans Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006 (or such other place in the City and State of New York as Sponsor may designate to Purchaser) and on such date and hour as Sponsor may designate to Purchaser on not less than thirty (30) days' prior notice. Sponsor may, from time to time, adjourn such date and hour upon reasonable prior notice to Purchaser, which notice shall fix a new date (and hour and place, if appropriate) for the closing of title (but in no event may Sponsor adjourn the date originally set for a closing, once set, for more than twelve (12) months in the aggregate without the consent of Purchaser).

5.2 Whenever used herein, the terms "Closing Date" or "closing of title" or words of similar import shall mean the date on which the deed to the Unit is delivered to Purchaser.

6. Delivery of Deed and Power of Attorney.

6.1 At the closing of title, Sponsor shall deliver to Purchaser a bargain and sale deed with covenants against grantor's acts conveying fee simple title to the Unit to Purchaser, which deed shall be in substantially the form contained in Part II of the Plan, and Sponsor and Purchaser shall execute the deed and have the same acknowledged, in form for recording.

6.2 At the closing of title, Purchaser shall execute and acknowledge a power of attorney to the Board, prepared by Sponsor and in substantially the form contained in Part II of the Plan.

6.3 The executed deed and power of attorney 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: (i) the deed shall be returned to Purchaser; and (ii) the power of attorney in favor of the Board shall be returned to the Board (or as the Board shall direct).

6.4 Sponsor shall deliver to Purchaser a certification stating that Sponsor is not a foreign person in the form then required by the Internal Revenue Service and each party shall execute, acknowledge and deliver to the other party such instruments, and take such other actions, as such other party may reasonably request in order to comply with Internal Revenue Code §6045(e), as amended, or any successor provision or any regulations promulgated pursuant thereto, insofar as the same requires reporting of information in respect of real estate transactions.

7. State of Title.

7.1 At the closing of title, Sponsor shall convey to Purchaser fee simple title to the Unit, free and clear of all encumbrances, subject only to the Permitted Exceptions contained in the Plan. Any lien, encumbrance or condition to which title is not to be subject shall not be an objection to title if: (a) the instrument required to remove it of record is delivered at or prior to the closing of title to the proper party or to Purchaser's title insurance company, together with the recording or filing fee; or (b) Purchaser's title insurance company will insure Purchaser, at the company's regular rates and without additional premium, that it will not be collected out of, or enforced against, the Unit; or (c) Purchaser's title insurance company is unwilling to issue the affirmative insurance described in subsection (b) at its regular rates and without additional premium, and the title insurance company referenced in Part I of the Plan would be willing to do so at its regular rates and without additional premium.

7.2 Sponsor shall be entitled to adjourn the closing to remove or correct any defect in title which is not set forth in the Permitted Exceptions. However, if such defect existed at least ten (10) days prior to the closing and Purchaser, or Purchaser's attorney, failed to send Sponsor's attorney written notice of such defect in title at least ten (10) days prior to the closing, then, for purposes of Article 12 below, Purchaser shall be deemed at fault for not having sent timely notice, and the closing adjournment to allow Sponsor to correct or remove such title defect shall be considered as being at the request of Purchaser.

7.3 The covenants in the deed will be solely for the personal benefit of Purchaser and will not inure to the benefit of Purchaser's successors or subrogees. In the event of a claimed breach of any covenant of the grantor contained in the deed, Purchaser must first seek recovery against Purchaser's title insurance company before proceeding against Sponsor, it being agreed that the liability of Sponsor will be limited to any loss or damage not covered by such title insurance. In the event that Purchaser elects not to purchase title insurance, then the liability of Sponsor shall be limited to any loss or damage that would not have been covered by the title insurance that was available to Purchaser at the closing. The terms of any marked-up title binder of any title insurance company authorized to do business in New York State issued in connection with any Unit shall be conclusive evidence of the title insurance coverage that was available to Purchaser. The provisions of this Article 7.3 shall survive the closing of title.

8. Closing Adjustments.

8.1 The following costs with respect to the Unit shall be apportioned between Sponsor and Purchaser as of the Closing Date:

- (a) Real estate taxes and assessments, if any (including water charges and sewer rents, if separately assessed), on the basis of the period for which assessed;
- (b) Common Charges for the month in which title closes; and
- (c) Accrued fees and any other charges pursuant to an Interim License or Use and Occupancy Agreement, if any, covering the Unit.

8.2 If the Unit has been separately assessed but the 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; however, the installment for the then current period shall be apportioned appropriately. If the Unit has not been separately assessed as of the Closing Date for the then current tax period, the adjustment hereof shall be based upon the Property's actual taxes and assessment for such period prorated to the Unit in the manner set forth in the By-Laws and in Part I of the Plan. In addition, if separate assessments have not been made prior to the closing of title, the Board of Managers will collect from Purchaser at Closing and will place in escrow an amount equal to the Unit Owner's estimated proportionate share of the real estate taxes, if any, projected to be due for the entire Property for the half of the tax year next commencing after the Closing of said Unit (i.e., for either the first half or second half, depending on when the Unit closes).

8.3 Sponsor shall remit or cause to be remitted to Purchaser an amount equal to interest, if any, earned on the Deposit, on or promptly after the Closing Date.

8.4 In the event that Purchaser fails to close title to the Unit on the date originally scheduled for the closing of title, postpones the closing for any reason, or is deemed at fault for not timely sending notice of a title defect as provided in Article 7 above, and title thereafter closes, then:

(a) the closing apportionments shall be made as of the originally scheduled closing date regardless of when the actual closing of title occurs; and

(b) the apportionment of those items set forth in this Article 8 shall be: (i) made as of the originally established closing date rather than as of the date the closing actually occurs, (ii) an amount equal to 0.04%, which is 14.6% per annum, (or such lower rate per day which is the legal limit of 16% per annum, if 0.04% per day exceeds the legal limit) of the Purchase Price for each day starting from (and including) the originally scheduled Closing Date to (and including) the day before the actual Closing Date); and (iii) Purchase shall pay Sponsor's counsel \$250.00 for each adjournment. Nothing herein shall be construed to mean that the Sponsor must grant an adjournment of title when requested to do so. 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.

8.5 If at a Purchaser's request Sponsor grants an adjournment or adjournments of his or her closing of title in excess of five (5) days in the aggregate, the Sponsor has the option of collecting an additional five percent (5%) of the purchase price of the Unit as an additional Deposit.

8.6 Adjustments and apportionments shall be calculated on the basis of the actual number of days in the period for which payments were made or are due, as the case may be. The "Customs in Respect to 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 aforesaid and as otherwise provided herein or in the Plan.

8.7 Any errors or omissions in calculating apportionments at closing shall be corrected, and payment shall be made to the proper party, promptly after discovery. This provision shall survive the closing.

9. Closing Costs.

Purchaser shall be required to pay certain costs in connection with the purchase of the Unit, in addition to any net credit in favor of Sponsor that may result from the closing adjustments and any interest or late closing charge described in Article 8. Other than any such net credit in favor of Sponsor that may result from the closing adjustments (or certain other fees which may be payable prior to the closing, as described below), all such closing costs shall be paid by Purchaser, at closing, by Purchaser's unendorsed, personal certified check or by official bank check, in either event drawn only upon a bank that is a member of the New York Clearing House Association. Such closing costs will include the following, the amounts of which (where applicable) are based on rates in effect on the date hereof and are subject to change without prior notice:

9.1 If Purchaser elects to obtain fee title insurance, Purchaser will pay a premium to the title company for such insurance, which will vary depending upon the amount of insurance purchased.

9.2 Purchaser will pay a fee to the City Register for recording the deed and the power of attorney, and will pay a filing fee for the RP-5217 form. In addition, Purchaser's title insurance company may charge various fees and service charges in connection with such recordings and filings, all of which shall be payable by Purchaser.

9.3 If Purchaser obtains a mortgage loan, Purchaser shall pay all closing costs associated with such loan, which may include, but need not be limited to, the following:

- (a) a fee and service charge for recording the mortgage;
- (b) a mortgage recording tax in the amount provided for by law,
- (c) to Sponsor, a sum equal to the full amount (but not in excess thereof) of the partial mortgage recording tax credit provided by Section 339-ee(2) of the New York Condominium Act, to the extent the same is or becomes available, as a reimbursement for the mortgage recording taxes previously paid (such credit is based, in general, on the Common Interest of the Units being purchased multiplied by a portion of the mortgage tax previously paid on account of pre-existing mortgages on the Property), if applicable;
- (d) the premium for mortgage title insurance, if required by Purchaser's lender;
- (e) such other costs and expenses in connection with such loan as determined by Purchaser's lender.

9.4 Purchaser will be required to pay the amount of \$2,250.00 to Marans Weisz & Newman LLC, Sponsor's counsel, for each Unit purchased hereunder, in order to defray Sponsor's legal fees for services in connection with preparing the deed and power of attorney and for coordinating and attending the closing. If Purchaser obtains financing and the lender is unwilling to close at the offices of Sponsor's counsel or if Purchaser otherwise requests that the Closing occur other than at the office of Sponsor's counsel (or such other place as

Sponsor may designate in its closing notice) and Sponsor in its sole discretion consents to such request, the closing may be held elsewhere in New York City, provided that Purchaser shall pay Sponsor's counsel a travel fee of \$500.00 and an additional \$500.00 if the Closing is held outside New York City. In addition, 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 (or Purchaser otherwise exercises its limited right with respect to an assignment as provided in Section 23.4 hereof), a fee of \$500.00, shall be payable by Purchaser to Sponsor's counsel, for preparation of an assignment agreement. Purchaser may be required to pay more than one fee pursuant to the preceding sentence and forgoing provisions with respect to a single Unit. At Sponsor's option in its sole discretion, any one or more of the foregoing fees to be paid to Sponsor's counsel shall be paid by Purchaser in advance, prior to closing, upon notice to Purchaser. In the event Purchase is in default hereunder and Sponsor requests its counsel to send a default letter, Purchaser shall be obligated to pay \$250.00 to Sponsor's counsel.

9.5 Purchaser shall make a contribution to the Working Capital Fund of the Condominium, payable to the Board, in the sum of two months common charges then in effect for the Unit, as the same may be amended from time to time.

9.6 Purchaser shall pay to the Board the Common Charges for the Unit for the first full month following the month in which title closes.

9.7 Purchaser shall pay the Real Estate Transfer Tax due to the State of New York (the so-called "deed stamps" and, if applicable, the so-called "mansion tax"), the Real Property Transfer Tax due to the City of New York and any other real property transfer tax due to the City or State of New York. Purchaser agrees to indemnify and hold Sponsor harmless from and against any and all liabilities and expenses (including, without limitation, reasonable legal fees and disbursements) incurred by Sponsor by reason of the non-payment by Purchaser of any of the taxes Purchaser is obligated to pay hereunder in connection with the purchase of the Unit. Purchaser's obligations to pay the taxes described in this Article 9.7 and to indemnify Sponsor as herein provided shall survive the closing of title.

10. Transfer Tax Returns. At the closing, Purchaser shall duly complete and sign before a notary public the real property transfer tax return required to be filed with The City of New York ("RPT Form") and Purchaser shall duly complete and sign the Combined Real Estate Transfer Tax Return and Credit Line Mortgage Certificate ("Combined Tax Form") required to be filed with the Department of Taxation and Finance of the State of New York (the "Tax Department"), or such other forms as may then be required by law. The RPT Form and Combined Tax Form shall be delivered at closing to the representative of Purchaser's title insurance company (or, if none, to Sponsor's attorney) for filing with the proper governmental officer. Sponsor will similarly execute all of such forms and other documents required in connection with recording of the deed including, without limitation, smoke detector and multiple-dwelling affidavits.

11. The Plan.

11.1 Purchaser acknowledges having received and read a copy of the Plan, including all amendments thereto, if any, filed prior to the date hereof with the Department of Law of the State of New York, at least three (3) business days before submitting this Agreement. If, however, Purchaser did not receive a copy of the Plan at least three (3) business days before

submitting this Agreement, Purchaser may rescind this Agreement, by sending written notice of same to Sponsor by certified or registered mail, return receipt requested, reputable overnight courier or by personal delivery, in either case within seven (7) days of Purchaser's submission of this Agreement.

11.2 The Plan is incorporated herein by reference and made a part hereof with the same force and effect as if set forth herein at length. In the event of any inconsistency between the provisions of this Agreement and the Plan, the Plan shall govern, except with respect to express modifications to the terms of the Plan included in this Agreement and agreed to by Sponsor and Purchaser, in which case such modifications will govern.

11.3 Purchaser hereby adopts, accepts and approves the Plan (including, without limitation, the Declaration, By-Laws and Rules and Regulations contained therein) and agrees to abide and be bound by the terms and conditions thereof, as well as all amendments to the Plan duly filed by Sponsor.

12. Default by Purchaser. (a) Any of the following shall constitute an "Event of Default" hereunder:

(i) Purchaser's failure to pay the Balance or any closing apportionment or closing cost required to be paid by Purchaser as stated herein on the Closing Date designated by Sponsor or the dishonor of any check given by Purchaser to Sponsor; or

(ii) the failure to pay, perform or observe any of Purchaser's other obligations hereunder; 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 within thirty (30) days.

(b) **TIME IS OF THE ESSENCE** with respect to Purchaser's obligations to pay the Balance and to pay, perform or observe Purchaser's other obligations under this Agreement. Upon the occurrence of an Event of Default, Purchaser shall have thirty (30) days from the giving of written notice of such default to cure the specified default. If the default is not cured within such thirty (30) days, **TIME BEING OF THE ESSENCE**, then Sponsor, in its sole discretion, may thereupon terminate this Agreement. If Sponsor so elects to terminate, this Agreement shall be deemed terminated, and Sponsor shall have the right to retain, as and for liquidated damages, the Deposit (and any interest earned of the Deposit, if any) plus the costs

incurred by Sponsor for any special work, if any, in the Unit ordered by the Purchaser. Upon the termination of this Agreement, Purchaser and Sponsor will be released and discharged of all further liability and obligations hereunder and under the Plan, and the Unit may be sold to another as though this Agreement had never been made, and without accounting to Purchaser for any of the proceeds for such sale.

(c) Sponsor and Purchaser each hereby agree and acknowledge that it would be impractical and/or extremely difficult to fix or establish the actual damage sustained by Sponsor as a result of a default by a Purchaser hereunder, and that, subject to the provision of Section 11(d) below, the Deposit (including all interest, if any) shall constitute and be deemed to be the reasonable and agreed upon liquidated damages of Sponsor in respect of the possible loss of a timely closing, the possible fluctuation of values, additional carrying costs of the Unit and other expenses that may be incurred, including, without limitation, attorneys' fees, and shall be paid by Purchaser to Sponsor. The payment of the Deposit (including all interest, if any) as liquidated damages is not intended to be a forfeiture or penalty, but is intended to constitute liquidated damages to Sponsor.

(d) NEITHER SPONSOR NOR PURCHASER SHALL CHALLENGE THE VALIDITY OF THE PROVISIONS OF THIS AGREEMENT OR THE PLAN WITH RESPECT TO LIQUIDATED DAMAGES OR ANY RIGHT OF SPONSOR SET FORTH HEREIN OR THEREIN TO RETAIN THE DEPOSIT IN THE EVENT OF A PURCHASER DEFAULT. SUCH PROVISIONS HAVE BEEN AGREED TO VOLUNTARILY, AFTER NEGOTIATION, WITHOUT DURESS OR COERCION BY ANY PARTY UPON ANY OTHER PARTY, AND WITH EACH PARTY HAVING BEEN (OR HAVING HAD FULL AND ADEQUATE OPPORTUNITY TO BE) REPRESENTED AND ADVISED BY COUNSEL, ACCOUNTANTS, BROKERS, APPRAISERS AND OTHER EXPERTS AND ADVISORS OF ITS OWN CHOOSING.

13. Agreement Subject to Lien of Mortgage. No lien or encumbrance shall arise against the Property or the Unit as a result of this Agreement or any money deposited hereunder, except as hereinafter set forth. In furtherance and not in limitation of the provisions of the preceding sentence, Purchaser agrees that the provisions of this Agreement are and shall continue to be subject and subordinate to the lien of any mortgage heretofore or hereafter made and any payments or expenses already 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 fullest extent thereof, without the execution of any further legal documents by Purchaser. Sponsor shall, at its option, either satisfy such mortgages or obtain a release of the Unit and its undivided interest in the Common Elements from the lien of such mortgages on or prior to the Closing Date, unless, if Purchaser is obtaining financing on the Unit, Purchaser assumes such mortgages (at Sponsor's discretion). The existence of any mortgage or mortgages encumbering the Property, or portions thereof, other than the Unit and its undivided interest in the Common Elements, shall not constitute an objection to title or excuse Purchaser from completing payment of the Purchase Price or performing all of Purchaser's other obligations hereunder or be the basis of any claim against, or liability of, Sponsor, provided that any such mortgage is subordinated to the Declaration, or the Unit is released from, or not subject to, the lien of such mortgage at closing (unless Purchaser has assumed the continuation of a mortgage lien encumbering such Unit as hereinabove described).

14. Agreement Subject to Plan Being Effective. The performance by Sponsor of its obligations under this Agreement is contingent upon the Plan having been declared effective in accordance with the terms and provisions of the Plan (as the same may be amended from time to time). The Plan may be withdrawn or abandoned by Sponsor only under certain conditions and at certain times, as set forth in the Plan. If the Plan is abandoned or if, after being declared effective, the Plan is not consummated for any reason and Purchaser is not in default under this Agreement beyond any applicable grace period, this Agreement shall be deemed cancelled and the Deposit, together with interest, if any, earned thereon, shall be returned to Purchaser. Upon such return, 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 Agreement and the Plan.

15. Sponsor's Inability to Convey the Unit. If Sponsor is unable to deliver title to the Unit to Purchaser in accordance with the provisions of this Agreement and the Plan by reason of a defect in title, substantial damage or destruction of the Building by fire or other casualty, or the taking of any material portion of the Property by condemnation or eminent domain, Sponsor shall 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. If Sponsor is not so obligated under the Plan and notifies Purchaser of its election not to cure such inability, and Purchaser is not in default hereunder, Purchaser's sole remedy shall 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 shall, within thirty (30) days after receipt of notice of termination from Purchaser, return the Deposit to Purchaser, together with interest, if any, earned thereon. Upon making such payment, this 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 Agreement and the Plan. The foregoing remedy must be exercised by written notice sent by Purchaser to Sponsor within ten days after the giving of Sponsor's notice of election not to cure such inability, failing which it shall be conclusively deemed that Purchaser elected the first remedy described in clause (a) above, i.e., to acquire title subject to such inability.

16. Fixtures, Appliances and Personal Property. Only those fixtures, appliances 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. No portion of the Purchase Price shall be attributable to such items.

17. Construction.

17.1 The construction of the Building and the Unit, including the materials, equipment and fixtures to be installed therein, shall be in accordance with the Plan and the Plans and Specifications (as defined in the Plan), 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 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.”

17.2 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 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.

17.3 The closing of title shall occur only after, or concurrently with, compliance with the prerequisites set forth under the Plan. As a result, if all other prerequisites not involving the construction of the Unit are met, Purchaser shall be obligated to close and complete payment of the full Purchase Price (without any credit against or abatement in the Purchase Price and without any provision for escrow) once a temporary or permanent Certificate of Occupancy is issued for the Unit (notwithstanding any construction items noted on Purchaser’s Inspection Report (as hereinafter defined) remaining for Sponsor to complete and/or correct in accordance with its obligations under the Plan, and notwithstanding the incomplete construction and/or decoration of any other portions of the Building not preventing Purchaser’s occupancy of the Unit).

17.4 Sponsor has projected that, based upon currently anticipated schedules; construction of the Building will be sufficiently completed to permit closings of Units to begin pursuant to the Offering Plan. If the First Unit Closing is delayed twelve (12) months or more from this date then Purchaser will be offered a right to rescind the Purchaser Agreement. The actual date for the First Closing is only an estimate and is not guaranteed or warranted, and may be earlier or later depending on the progress of construction and compliance with the other prerequisites described in the Plan. Purchaser acknowledges that construction may be delayed by weather, casualty, labor difficulties (including work stoppages and strikes), late delivery or inability to obtain on a timely basis or otherwise materials or equipment, governmental restrictions, or other events beyond Sponsor’s reasonable control. Purchaser further acknowledges that the units in the Building will be completed at varying times over a period that could extend well beyond the First Closing. The order in which these units will be completed is in the discretion of Sponsor. Purchaser acknowledges that except as otherwise expressly provided in the Plan, Purchaser shall not be excused from paying the full Purchase Price, without credit or set-off, and shall have no claim against Sponsor for damages or losses, in the event that the First Closing occurs substantially earlier or later than the projected date or the time to complete or to close title to the Unit is accelerated, delayed or is postponed by Sponsor, Purchaser’s rights as set forth in Plan in respect thereof being in lieu of any other rights or remedies which may be available pursuant to any applicable law, regulation, statute or otherwise, all of which are hereby expressly waived by Purchaser.

17.5 Sponsor is obligated to construct the Building in accordance with all applicable codes, and filed building plans and specifications, as well as the provisions of the Plan.

18. Warranties of Construction.

The Housing Merchant Implied Warranty (General Business Law Article 36-B) does not apply to this offering because that statute applies only to new single family homes or new for sale units in a multi-unit residential structure which is five (5) stories or less in which title is transferred to Purchasers under a cooperative or condominium regime. As the Building contains seven (7) construction floors plus a cellar, this statute is not applicable. Sponsor has the obligation nevertheless, to construct the Building in accordance with applicable Law, codes, regulations, filed plans and specifications, and locally accepted building practices for items which are not covered by codes.

19. Inspection of Unit. At least one week (but not more than one month) prior to the Closing Date, at Sponsor's direction, Selling Agent if applicable or Sponsor shall notify Purchaser that the Unit is ready for inspection. Upon receipt of the notice, Purchaser shall promptly arrange an appointment with Selling Agent to inspect the Unit within the week prior to the Closing Date. Purchaser or his or her duly authorized agent shall attend such inspection, shall carefully inspect the Unit, and shall complete, date and sign the Inspection Statement (in the form set forth as Schedule A to this Agreement) and deliver same to Selling Agent if applicable or Sponsor at the conclusion of the inspection. Failure of Purchaser either to arrange such appointment or to inspect the Unit within the week prior to the Closing Date or to so sign and deliver the completed Inspection Statement shall not excuse Purchaser from paying the Balance when due and shall constitute Purchaser's full acceptance of the Unit as is. However, nothing herein shall relieve Sponsor of its obligations as set forth in "Rights and Obligations of Sponsor" in the Plan.

20. 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:

20.1 The risk of loss to the Unit by fire or other casualty, until the earlier of closing of title or the taking of possession of the Unit by Purchaser, is assumed by Sponsor; provided that Sponsor shall have no obligation or liability to repair or restore the Unit. In the event of damage or destruction of the Unit due to fire or other casualty prior to the closing of title and the election by Sponsor to repair or restore the Unit, this Agreement shall continue in full force and effect, Purchaser shall not have the right to reject title or receive a credit against, or abatement in, the Purchase Price, and Sponsor shall be entitled to a reasonable period of time within which to complete the repair or restoration. 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 and other Unit Owners if the Declaration has theretofore been recorded and any mortgagee of Sponsor, belong entirely to Sponsor and if such proceeds are paid to Purchaser, Purchaser shall promptly upon receipt thereof turn them over to Sponsor. The provisions of the preceding sentence shall survive the closing of title or the termination of the Agreement.

20.2 In the event of damage to or destruction of the Unit by fire or other casualty prior to the closing of title and the election by Sponsor, to notify the Purchaser within sixty (60) days of the damage to the Unit, that it does not elect to repair or restore the Unit, or, if the Declaration has been recorded prior thereto, then if the Unit Owners do not resolve to make such repairs or restoration pursuant to the By-Laws, this Agreement shall be deemed cancelled and of no further force or effect and Sponsor shall return to Purchaser all sums deposited by Purchaser hereunder, together with interest, if any, earned thereon, 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 hereunder and under the Plan, except that if

Purchaser is then in default hereunder (beyond the applicable grace period, if any), Sponsor shall retain all such sums deposited by Purchaser hereunder and any interest earned thereon, as and for liquidated damages. If a Purchaser takes possession of a Unit prior to closing title, i.e. via an interim lease, he or she will assume the risk of loss and the obligation to repair the damage not covered under insurance already in place; therefore it is advisable that Purchaser obtain casualty insurance at such time. An interim lessee assumes the risk of loss for the property that is not covered by the insurance for the Unit.

21. Prohibition Against Advertising. Purchaser hereby covenants and agrees that it shall not list the Unit for sale, resale or lease with any broker or otherwise advertise, promote, or publicize the availability of the Unit for sale, resale or lease prior to the closing of title and for one (1) year thereafter. Any such listing of the Unit or form of advertising, promotion or publicizing of the Unit by Purchaser or its agents or representatives prior to the closing of title shall be an Event of Default hereunder, entitling Sponsor to the remedies set forth in Article 12 hereof. The provisions of this Article 21 shall survive the closing of title.

22. Broker. Purchaser represents to Sponsor that _____ (collectively the “Broker”) 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 the Broker pursuant to a separate agreement. Purchaser agrees that should any claim be made against Sponsor for commissions by any broker, other than the 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, but not limited to, reasonable legal fees and disbursements. The provisions of this Article 22 shall survive the closing of title and are not made for the benefit of any third parties.

23. Agreement May Not Be Assigned.

23.1 This Agreement, or any interest of Purchaser herein, shall not inure to the benefit of any successors or assigns of Purchaser and may not be assigned by Purchaser, without the prior written consent of Sponsor, which consent may be given or denied by Sponsor in its sole discretion. Any purported assignment by Purchaser in violation of this Agreement shall be an event of default by Purchaser entitling Sponsor to all remedies available at law, in equity or otherwise, including, without limitation, the remedies set forth above, and shall be voidable at the option of Sponsor.

23.2 If Purchaser is a corporation, any sale, assignment, transfer, pledge, encumbrance or other disposition of any of the stock of Purchaser, or if Purchaser is a partnership, limited liability company or other entity, any sale, assignment, transfer, pledge, encumbrance or other disposition of any interest in such partnership, limited liability company or other entity shall, for purposes of this Agreement, be considered an assignment and shall be subject to the provisions, prohibitions and terms of this Article concerning assignment of this Agreement, except that a sale of less than fifty percent (50%) of the stock, or in the case of a partnership, limited liability company or other entity, less than fifty percent (50%) of the ownership interests, of Purchaser which does not result in a change in control of Purchaser shall not be considered an assignment. For purposes of the preceding sentence only, “control” shall mean the ownership of fifty-one percent (51%) or more of the interests in such entity or possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.3 If Purchaser desires to assign its rights under this Agreement or to take title in the name of an affiliate of, or entity related to, or controlled by Purchaser that differs from that reflected in this Agreement, or to add, delete or substitute the name of a member of the Purchaser's family, then, if such assignment, alteration, addition, deletion or substitution is consented to by Sponsor (in Sponsor's sole discretion), Purchaser shall deliver to Selling Agent or Sponsor's counsel, four (4) signed forms of assignment of this Agreement (to be prepared by Sponsor's counsel at Purchaser's expense and in form and content acceptable to Sponsor, in its sole discretion), as well as three (3) completed and signed copies of either Form W-9 (Request for Taxpayer Identification Number and Certification) or Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding), as applicable, in the form required by law. Upon each assignment or other change consented to by Sponsor (in its sole discretion), the assignments and Form W-8 or Form W-9, as applicable, must be delivered to Selling Agent or Sponsor's counsel, together with a personal certified check, or an official bank or cashier's check, in the amount of \$1,000.00 ("Assignment Fee") made payable to Marans Weisz & Newman LLC (for services rendered in connection with the assignment), not less than twenty (20) days prior to the date scheduled for the Purchaser's closing. In no event shall Purchaser or its assignee (or any added or substituted party) have any right to adjourn or postpone the closing as a result of any such change or assignment. Sponsor is not obligated to consent to any such change or assignment and, Sponsor's refusal to consent to an assignment or change in name will not entitle Purchaser to terminate this Agreement or excuse Purchaser from any of its obligations hereunder or give rise to any claim for damages against Sponsor; and the prohibition against advertising or publicizing the availability of Purchaser's Unit as set forth in Article 21 above and in the Plan will remain in effect.

23.4 Notwithstanding the provisions of Article 23.1 above, Sponsor will not unreasonably withhold its consent to the assignment by Purchaser, on one (1) occasion only, of all of Purchaser's rights under this Agreement to a Purchaser Affiliate or to member(s) of Purchaser's Immediate Family, provided that any such assignment is made without consideration and otherwise in accordance with the provisions and procedures set forth in Article 23.3 above, including without limitation the provisions relating to the Assignment Fee. For purposes of this Article 23.4 only: (i) "Purchaser Affiliate" means an entity, as of the date of the assignment and at all times thereafter through and including the Closing, controlled by or under common control with Purchaser; (ii) "Immediate Family Members" means Purchaser's spouse, domestic partner, children, grandchildren, parents, grandparents, brothers or sisters, stepchildren and stepparents; and (iii) "control" means the ownership of fifty-one percent (51%) or more of the interests in such entity and possession of the power to direct the management and policies of such entity and the distribution of its profits.

23.5 Notwithstanding any consent by Sponsor pursuant to the terms of this Article to any such change of name or assignment, in no event shall Purchaser, as assignor, be released or relieved from any obligations, promises, covenants and liabilities under or in respect of this Agreement.

24. Binding Effect. The submission of this Agreement to Purchaser does not create a binding obligation on the part of Sponsor. This Agreement shall not be binding on Purchaser or Sponsor until Purchaser has signed this Agreement and delivered the signed Agreement and the Deposit to Sponsor, and a counterpart hereof executed by Sponsor has been delivered to Purchaser. Prior to Sponsor's countersigning and returning this Agreement to Purchaser, and at

any time thereafter, Purchaser agrees upon request to provide Sponsor with written reasonable information about Purchaser's employment, financial and rental/ownership history. Such information obtained prior to countersignature may be used to determine Purchaser's qualification to purchase and own the Unit, but does not constitute a reservation or binding obligation on either the applicant or Sponsor. Sponsor's right to collect such information shall terminate upon the earlier of the closing of title to the Unit or termination of the Agreement. Sponsor has the right, without incurring any liability, to reject this Agreement without cause or explanation to Purchaser. This Agreement may not be rejected due to Purchaser's sex, sexual orientation, race, creed, color, national origin, ancestry, disability, marital status, or other grounds proscribed by law.

25. Notices.

25.1 Any notice, election, demand, consent, request or other communication hereunder or under the Plan shall be in writing and either delivered in person or sent, postage prepaid, by registered or certified mail, return receipt requested or by Federal Express or other reputable overnight courier, with receipt confirmed: to Purchaser at the address given at the beginning of this Agreement with a copy to Purchaser's Attorney; and to Sponsor, at: 4 AVE BU LLC, 308 Malcolm X Boulevard, Brooklyn, New York 11233 with a copy sent simultaneously and in like manner to Marans Weisz & Newman LLC, 29 Broadway, Suite 2400, New York, New York 10006. Either party may hereafter designate to the other in writing a change in the address to which notices are to be sent. Notwithstanding the foregoing, any mailing of an amendment to the Plan shall be delivered via regular mail. Except as otherwise expressly provided herein, a notice shall be deemed given when personal delivery or delivery by overnight courier is effected or, in the case of mailing, three (3) days after the date of mailing, except that the date of actual receipt shall be deemed to be the date of the giving of any notice of change of address.

25.2 Sponsor hereby designates and empowers both Selling Agent and Sponsor's counsel Marans Weisz & Newman LLC as Sponsor's agents to give any notice to Purchaser under this Agreement (including, without limitation, a notice of default) in Sponsor's name, which notice so given shall have the same force and effect as if given by Sponsor itself. Purchaser hereby designates Purchaser's Attorney as Purchaser's agent to give any notice to Sponsor hereunder in Purchaser's name.

26. Joint Purchasers. The term "Purchaser" shall be read as "Purchasers" if the Unit is being purchased by more than one person, in which case their obligations shall be joint and several.

27. Liability of Sponsor. Sponsor shall be excused from performing any obligation or undertaking provided for in this Agreement for so long as such performance is prevented, delayed or hindered by an act of God, fire, flood, explosion, war, riot, sabotage, inability to procure or general shortage of energy, labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strike, lockout, action of labor unions, or any other cause (whether similar or dissimilar to the foregoing) not within the reasonable control of Sponsor. Sponsor's time to perform such obligation or undertaking shall be tolled for the length of the period during which such performance was excused.

28. 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. Additionally, 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 correct any error and or omissions that may have occurred at Closing of Title. The Provisions of this Article shall survive Closing of Title and delivery of the deed.

29. 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.

30. Strict Compliance. Any failure by either party hereto to insist upon the strict performance by the other party of any of the provisions of this Agreement shall not be deemed a waiver of any of the provisions hereof, and each party, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the other party of any and all of the provisions of this Agreement to be performed by such other party.

31. No Lien. Neither this Agreement nor any monies deposited hereunder or expended by Purchaser in connection herewith shall constitute a lien against the Unit, any other Units, or any other portion of the Building or the Land upon which it is situated.

32. Governing Law. The provisions of this Agreement shall be governed by, and construed and enforced in accordance with, the internal laws of the State of New York applicable to contracts made and to be performed wholly in the State of New York, without regard to principles of conflicts of law.

33. Purchaser's Representations.

33.1 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 Purchaser's 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.

33.2 Purchaser is not now, nor shall it be at any time prior to or at the closing of title, an individual, corporation, partnership, joint venture, trust, trustee, limited liability company, unincorporated organization, real estate investment 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 "U.S. 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 U.S. 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 U.S. Person, including a “financial institution” as defined in 31 U.S.C. 5312 (a)(z), as periodically amended, 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.

33.3 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, 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. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

33.4 The provisions of this Article shall survive the closing of title to the Unit or termination of this Agreement.

34. Agreement Contingent Upon Financing.

34.1 The obligations of the Purchaser under this Purchase Agreement are conditioned upon issuance on or before a date which is thirty (30) days from the date the Purchase Agreement is accepted by Sponsor and returned to Purchaser (the “Commitment Date”) of a written commitment (the “Commitment”) from Sponsor Designated Lender/Broker (hereinafter referred to “Sponsor Designated Lender/Broker”) pursuant to which Sponsor Designated Lender/Broker agrees to make or arrange a loan to include that of a VA, FHA or other governmentally insured loan to Purchaser, at Purchaser’s sole cost and expense of no more than ____% of the Purchaser Price of the Unit, or such lesser sum as Purchaser shall be willing to accept, at the prevailing fixed rate or adjustable rate of interest for a term of at least thirty (30) years and on other customary commitment terms, whether or not conditioned upon any factors other than an appraisal satisfactory to the Sponsor Designated Lender/Broker, secured by a first mortgage on the Unit together with its undivided interest in the Common Elements (the “Mortgage Loan”), except that Purchaser shall not be required to accept any conditional commitment and neither shall any commitment contain any condition to sell any property of Purchaser or any condition requiring construction or repairs to the Unit as same shall not be deemed a Commitment as defined herein.

34.2 Purchaser shall:

1. Make a prompt application to a Sponsor Designated Lender/Broker for the Mortgage Loan through First Meridian Mortgage, having an address at 190 North 10th Street, Brooklyn, New York 11211, Tel: 718.906.6156, Attn: Chesky Fuchs, E-mail: cfuchs@fmm.com, within three (3) days of the date of the date of the Purchaser receiving the signed counterpart of the Purchase Agreement from the Sponsor.
2. Promptly give notice to Sponsor as to the application having been submitted;
3. Furnish truthful, accurate and complete information, data and documents on Purchaser as required, and promptly submit such further information, data and documents requested by the Sponsor Designated Lender/Broker;
4. Pay all fees, points and charges required in connection with such application and Mortgage Loan;
5. Pursue such application with diligence;
6. Cooperate in good faith with the Sponsor Designated Lender/Broker to the end of securing the Mortgage Loan; and
7. Comply with all requirements of the Commitment (or of any Commitment accepted by Purchaser) and furnish Sponsor with a copy thereof promptly after receipt.

The obligations of Purchaser set forth in (1) through (7) above are collectively referred to herein as the "Financing Obligations" Purchaser agrees to diligently comply with all the Financing Obligations to the best of his ability.

34.3 If a Commitment is not issued on or before the Commitment Date pursuant 34.2 above, then unless purchaser has accepted a Commitment that does not comply with the requirements set forth in 34.1 above, Purchaser may cancel the Purchase Agreement by giving notice to Sponsor (the "Cancellation Notice") within ten (10) business days after the Commitment Date, "TIME BEING OF THE ESSENCE", in which case the Purchase Agreement shall be deemed canceled and thereafter neither party shall have any further rights against or obligations or liabilities to, the other by reason of the Purchase Agreement, except that the Deposit shall be refunded to Purchaser within ten (10) business days thereafter. The Cancellation Notice shall be accompanied by a copy of any loan refusal letter or non-complying Commitment, as the case may be, issued by the Institutional Lender, if available, or if not available, provided promptly after receipt. If Purchaser fails to give the Cancellation Notice or if Purchaser shall accept a Commitment that does not comply with the requirements set forth in 33.1 above, then Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement and to receive refund of the Deposit by reason of the contingency contained herein. Purchasers are advised that even if they receive a financing commitment, its term may be limited and it may expire prior to the Unit Closing Date unless extended by Purchaser. If the Commitment is scheduled to expire prior to the Unit Closing Date, it shall be Purchaser's obligation to take all action and make such payments as shall be necessary to extend or otherwise keep the Commitment current. Sponsor shall have no obligation to cause the Unit Closing Date to occur prior to expiration of the Commitment or to take any action or incur any expense to extend the

Commitment. Sponsor shall have no liability if the Commitment expires due to Purchaser's actions or inactions or otherwise, and Purchaser shall be obligated to close hereunder if a Commitment expires.

34.4 In the event that Purchaser uses a lender procured other than through the Sponsor Designated Lender/Broker, no financing contingency will apply to the Purchase Agreement. As a result, Purchaser will not have the right to cancel the Purchase Agreement if the Purchaser fails to obtain mortgage financing, or if the Purchaser's existing mortgage financing lapses or is canceled. Any prospective Purchaser who executes a Purchase Agreement and does not obtain financing may lose his or her deposit if he or she is unable to otherwise raise the monies for the balance of the purchase price. Prospective purchasers who require financing are advised to consult with a lending institution before execution of a Purchase Agreement. No representation is made by the Sponsor as to the availability or cost of such financing.

35. 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. The provisions of this Article shall survive closing of title or the termination of this Agreement.

36. Waiver of Jury Trial. Except as prohibited by law, the parties shall, and they hereby do, expressly waive trial by jury in any litigation arising out of, connected with, or relating to this Agreement or the relationship created hereby or in the Plan. With respect to any matter for which a jury trial cannot be waived, the parties agree not to assert any such claim as a counterclaim in, nor move to consolidate such claim with, any action or proceeding in which a jury trial is waived. The provisions of this Article shall survive closing of title or the termination of this Agreement.

37. Waiver of Diplomatic or Sovereign Immunity.

37.1. Purchaser hereby waives any and all immunity from suit or other actions or proceedings and agrees that, should Sponsor or any of its successors or assigns bring any suit, action or proceeding in New York or any other jurisdiction to enforce any obligation or liability of Purchaser arising, directly or indirectly, out of or relating to this Agreement, no immunity from such suit, action or proceeding will be claimed by or on behalf of Purchaser.

37.2. As of the execution of this Agreement, Purchaser acknowledges and agrees that all disputes arising, directly or indirectly, out of or relating to this Agreement may be dealt with and adjudicated in the state courts of New York or the federal courts sitting in New York, and hereby expressly and irrevocably submits the person of Purchaser to the jurisdiction of such courts in any suit, action or proceeding arising, directly or indirectly, out of or relating to this Agreement. So far as is permitted under the applicable law, this consent to personal jurisdiction shall be self-operative and no further instrument or action shall be necessary in order to confer jurisdiction upon the person of Purchaser in any such court.

37.3. Purchaser irrevocably waives, to the fullest extent permitted by law, and agrees not to assert, by way of motion, as a defense or otherwise in any suit, action or proceeding arising, directly or indirectly, out of relating to this Agreement, brought in the state courts in

New York, Kings County or the federal courts sitting in New York, Kings County: (i) any objection which it may have or may hereafter have to the laying of the venue of any such suit, action or proceeding in any such court; (ii) any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; or (iii) any claim that it is not personally subject to the jurisdiction of such courts. Purchaser agrees that final judgment from which Purchaser has not or may not appeal or further appeal in any such suit, action or proceeding brought in such a court shall be conclusive and binding upon Purchaser and, may so far as is permitted under the applicable law, be enforced in the courts of any state or any federal court and in any other courts to the jurisdiction of which Purchaser is subject, by a suit upon such judgment and that Purchaser will not assert any defense, counterclaim, or set off in any such suit upon such judgment.

37.4. Purchaser agrees to execute, deliver and file all such further instruments as may be necessary under the laws of the State of New York, in order to make effective the consent of Purchaser to jurisdiction of the state courts of New York and the federal courts sitting in New York and any other provisions of this Article 37.

37.5. Nothing in this Article 37 shall affect the right of Sponsor to bring proceedings against Purchaser in the courts of any jurisdiction or jurisdictions.

37.6. The provisions of this Article 37 shall survive the closing of title or the termination of this Agreement for the purpose of any suit, action, or proceeding arising directly or indirectly, out of or relating to this Agreement.

37.7. In the event Purchaser is a foreign government, a resident representative of a foreign government or such other person or entity otherwise entitled to the immunities from suit enjoyed by a foreign government (i.e., diplomatic or sovereign immunity), such Purchaser hereby designates a duly authorized and lawful agent to receive process for and on behalf of the Purchaser in any state or federal suit, action or proceeding in the State of New York based on, arising out of or connected with this Agreement.

37.8 If Purchaser is a foreign mission, as such term is defined under the Foreign Missions Act, 22 U.S.C. 4303, Purchaser shall notify the United States Department of State prior to purchasing a Unit and provide a copy of such notice to Sponsor. Sponsor shall not be bound under this Agreement unless and until the earlier to occur of: (i) a notification of approval is received from the Department of State; or (ii) sixty (60) days after Purchaser's notice is received by the Department of State.

38. Mold. Purchasers are advised that the prevention of the growth of mold in a Unit is the responsibility of each Unit Owner. Construction is not, and cannot be, designed to exclude mold spores. Whether a Unit Owner experiences mold growth depends largely on how such Unit Owner manages and maintains his/her Unit. Unit Owners will need to take actions to prevent conditions which cause the mold or mildew, and it is the responsibility of each Unit Owner to ensure that he/she has taken the necessary precautions to prevent mold from becoming a problem in such Unit Owner's Unit. Sponsor will not be liable for and Purchaser hereby waives any claim for any actual, special, incidental or consequential damages based on any legal theory whatsoever, including, but not limited to, strict liability, breach of express or implied warranty, negligence or any other legal theory with respect to the presence and/or existence of molds,

mildew and/or microscopic spores unless caused by the gross negligence or willful misconduct of Sponsor. The provisions of this Article shall survive closing of title.

39. 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 of the Unit, the ability to rent the Unit and/or the rental income therefore, the right to any income tax deduction for any real estate taxes or mortgage interest paid by Purchaser, or any other data, except as herein or in the Plan specifically represented; Purchaser has relied solely on his or her 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. No oral representations or statements shall be considered a part of this Agreement. Purchaser agrees (a) to purchase the Unit, without offset or any claim against, or liability of, Sponsor, whether or not any layout or dimension of the Unit or any part thereof, or of the Common Elements, as shown on the Floor Plans on file in Sponsor's office and filed in the City Register's Office, is accurate or correct, and (b) that Purchaser shall not be relieved of any of Purchaser's obligations hereunder by reason of any immaterial or insubstantial inaccuracy or error. The provisions of this paragraph shall survive the closing of title or the termination of this Agreement.

40. 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 term "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 otherwise stated, all references herein to Articles, Sections or other provisions are references to Articles, Sections or other provisions of this Agreement.

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

42. Successors and Assigns. Subject to the provisions of Article 23 hereof, the provisions of this Agreement shall bind and inure to the benefit of Purchaser and Purchaser's heirs, legal representatives, successors and permitted assigns and shall bind and inure to the benefit of Sponsor and its successors and assigns.

43. No Oral Changes. This Agreement or any provision hereof, cannot be orally changed, terminated or waived. ANY CHANGES OR ADDITIONAL PROVISIONS MUST BE SET FORTH IN A RIDER ATTACHED HERETO OR IN A SEPARATE WRITTEN AGREEMENT SIGNED BY THE PARTIES AND WHICH REFERS TO THIS AGREEMENT.

44. Counterparts. This Agreement (or any such Rider(s)) may be executed in any number of counterparts, including but not limited to any signature conveyed through electronic mail transmission ("PDF") and/ or facsimile transmission, any one of which shall be deemed to be an original and all of which shall constitute one and the same document. When counterparts

have been executed by all parties, they shall have the same effect as if the signatures to each counterpart were upon the same documents and shall be deemed valid as originals. A PDF or facsimile signature on this Agreement (or any such Rider(s)) shall be acceptable and be deemed binding.

45. Rule of Construction. There shall be no presumption against the drafter of this Agreement or the Plan.

<Signature Page Follows>

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth hereinabove.

SPONSOR:

4 AVE BU LLC

By: _____
Name:
Title:

PURCHASER:

By: _____

By: _____

WITH RESPECT TO PARAGRAPH 4:

ESCROW AGENT:

By: _____

SCHEDULE A

INSPECTION STATEMENT

4 AVE BU LLC
308 Malcolm X Boulevard
Brooklyn, New York 11233

Re: Unit No.
 The 554 4th Avenue Condominium

Gentlemen:

As a result of my/our final inspection, please be advised that except as otherwise noted, I/we found the following items in good condition, free of chips, mars, breaks or other defects:

Exceptions

<u>Items</u>	<u>Initials</u>	<u>if any</u>
Windows, window frames		
Electric fixtures & globes		
Interior painted surfaces		
Sinks, tubs, bowls & shower doors & trim		
Kitchen cabinets & counter tops		
Vanity tops & base		
Medicine cabinets, doors & mirror		
Hardware		
Flooring		
Appliances		

I/we understand that to prevent pilferage, certain items such as medicine cabinet doors, shower heads, toilet seats, kitchen cabinets, vanity knobs and mechanical chimes will be installed just prior to my/our date of moving. I/we agree and I/we will sign off each item requiring adjustment or repairs as it is completed.

Purchaser's Signature

Sponsor's Representative

FORM OF POWER OF ATTORNEY

The undersigned, _____, the Owner of Unit ____ in the building complex known as the 554 4th Avenue Condominium, 554 4th Avenue, Brooklyn, New York as designated and described in the Declaration establishing The 554 4th Avenue Condominium, dated _____, 20__ and recorded in the Office of the Registrar of the City of New York, Kings County on _____20__, in CRFN# _____ on the floor plans filed in the Real Property Assessment Department of the City of New York as Condominium Plan No. _____ (the "Condominium") do hereby irrevocably nominate, constitute and appoint the Board of Managers of the Condominium, and their successors, jointly, true and lawful attorneys-in-fact of the undersigned, with a power coupled with an interest, with power of substitution (1) to acquire, in their own names as members of the Board of Managers or in the name of their designee, corporate or otherwise by deed, on behalf of all owners of Condominium Units in said Condominium property, in accordance with their respective Common Interests, (a) any Unit whose owner desires to sell the same, the undivided interest in the Common Elements appurtenant thereto, the interest of such Unit theretofore acquired by the Board of Managers, or its designee, on behalf of all Unit Owners, or in the proceeds of sale or lease thereof, if any, and the interest of such Unit Owner in all other assets of the Condominium (hereinafter collectively called the "Appurtenant Interests"), or (b) any Unit which shall be the subject of a foreclosure or other judicial sale or whose owner desires to surrender or abandon same in accordance with the By-Laws, or (2) to lease any Unit whose Owner desires to rent the same, at such prices or at such rental, as the case may be, and on such other terms, and conditions as said attorneys-in-fact shall, in their sole discretion deem proper, and (3) thereafter to convey, sell, lease, sublease, mortgage, vote, or otherwise deal with any such Unit so acquired by them, on such terms and conditions as said attorneys-in-fact in their sole discretion 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, and (4) to execute, acknowledge and deliver (a) any declaration or other instrument affecting the Condominium which the Board of Managers of the Condominium deems necessary or appropriate to comply with the Declaration of Condominium, or any law, ordinance or 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 maintenance, demolition, construction, alteration, repair or restoration of the Condominium or (b) any consent, covenant, restriction, easement or declaration or any amendment thereto affecting the Condominium or the Common Elements that the Board of Managers deems necessary or appropriate, provided such change is consistent with the Condominium Act.

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

I (We) do hereby further irrevocably nominate, constitute and appoint 4 AVE BU LLC ("Sponsor"), having an address 308 Malcolm X Boulevard, Brooklyn, New York 11233, as

attorney-in-fact for the undersigned, coupled with an interest, with power of substitution, to amend from time to time such Declaration, By-Laws and the Rules and Regulations of such Condominium, or any of such documents, when such amendment will be required to reflect any changes in Unsold Units and/or the reapportionment of the Common Interests of the affected Unsold Units resulting therefrom made by Sponsor or its designee in accordance with Article 30 of the Declaration, or otherwise to evidence or enforce a right granted to Sponsor or its designee under the Plan, Declaration and By-Laws. The terms, covenants and conditions contained in, and the powers granted pursuant to, this paragraph will remain in full force and effect until such time as the Sponsor or its designees cease to own any Unit in The 554 4th Avenue Condominium. Each and any of may act singly as such attorney-in-fact.

IN WITNESS WHEREOF, the undersigned have executed this Power of Attorney as of the ____ day of _____, 20____.

STATE OF NEW YORK)

) ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 20__ before me, the undersigned _____, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacit(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Notary)

STATE OF NEW YORK)

) ss.:

COUNTY OF _____)

On the ____ day of _____ in the year 20__ before me, the undersigned _____, personally appeared personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacit(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

(Notary)

FORM OF UNIT DEED

THIS INDENTURE, made as of the ____ day of _____, 20____, between 4 AVE BU LLC, a New York limited liability company, having an office at 308 Malcolm X Boulevard, Brooklyn, New York 11233 (hereinafter referred to as the “Grantor”), and _____, having an address _____ (hereinafter referred to as the “Grantee”).

W I T N E S S E T H:

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

The Condominium Unit known as Unit No. ____ together with a ____% undivided interest in the common elements of The 554 4th Avenue Condominium, also known by the street number 554 4th Avenue, County of Kings, City and State of New York, said Unit being designated and described by the above unit number in the Declaration establishing a plan for Condominium ownership of the Condominium property under the Condominium Act of the State of New York, as amended (Article 9-B of the Real Property Law of the State of New York) dated _____ and recorded in the office of the Clerk of Kings County New York on _____ under CRFN _____, (such declaration and any amendments thereto being referred to hereinafter, collectively, as the “Declaration”). The land on which the building containing the Unit is located is bounded and described as on schedule “A” annexed hereto, said Unit also being designated as Tax Lot _____ in Block 1046 on the Tax Map of the Real Property Assessment Department of the City of New York for the Borough of Brooklyn and on the floor plans of the Building (the “Floor Plans”), certified by _____, on the ____ day of _____, 20____, and filed in with the Real Property Assessment Department of the City of New York on the ____ day of _____, 20____, as Condominium Plan No. _____ and also filed in the City Register’s Office, County of Kings as Condominium Map No. _____ under CRFN _____.

Together with an undivided ____% interest in the Common Elements (as such term is defined in the Declaration);

Together with, and subject to, the rights, obligations, easements, restrictions and other provisions set forth in the Declaration and the By-Laws of The 189 Cooper Street Condominium, as the same may be amended from time to time (hereinafter referred to as the “By-Laws”), all of which shall constitute covenants running with the Land and shall bind the person having at any time any interest or estate in the Unit, as though recited and stipulated at length herein;

Subject also to such other liens, agreements, covenants, easements, restrictions, consents

and other matters of record as pertain to the Unit, to the Land and/or to the Building (which Land and Building are hereinafter collectively referred to as the “Property”);

To have and to hold the same unto the Grantee, and the heirs or successors and assigns of the Grantee, forever.

If any provision of the Declaration or the By-Laws is invalid under, or would cause the Declaration or the By-Laws to be insufficient to submit the Property to the provisions of the Condominium Act, or if any provision that is necessary to cause the Declaration and the By-Laws to be sufficient to submit the Property to the provisions of the Condominium Act is missing from the Declaration or the By-Laws, or if the Declaration and the By-Laws are insufficient to submit the Property to the provisions of the Condominium Act, the applicable provisions of Article 16 of the Declaration shall control.

Except as otherwise specifically permitted by the Condominium’s Board of Managers (as such term is defined in the Declaration) a Residential Unit is intended for residential purposes only.

The Grantor covenants that the Grantor has not done or suffered anything whereby the Unit has been encumbered in any way whatever, except as set forth in the Declaration and the By-Laws (any Rules and Regulations adopted under the By-Laws).

The Grantor, in compliance with Section 13 of the Lien Law of the State of New York, covenants that the Grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund for the purpose of paying the cost of the improvements at the Property and will apply the same first to the payment of the cost of such improvements before using any part of the same for any other purposes.

The Grantee accepts and ratifies the provisions of the Declaration and the By-Laws (and any Rules and Regulations adopted under the By-Laws) and agrees to comply with all the terms and provisions thereof.

This conveyance is made in the regular course of business actually conducted by the Grantor.

The term “Grantee” shall be read as “Grantees” whenever the sense of this indenture so requires.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Grantor and the Grantee have duly executed this indenture as of the day and year first above written.

Grantor:

4 AVE BU LLC

By: _____

Name:

Title:

Grantee:

(Print Name)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

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

(Notary Public)

STATE OF NEW YORK)

)ss.:

COUNTY OF _____)

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

(Notary Public)

SCHEDULE A

PROPERTY DESCRIPTION

FORM OF INTERIM LEASE AGREEMENT

AGREEMENT made this ____ day of _____, between 4 AVE BU LLC, having an office 308 Malcolm X Boulevard, Brooklyn, New York 11233 (hereinafter SPONSOR) and _____ whose address is 554 4th Avenue, Unit # _____, Brooklyn, New York 11215 (hereinafter PURCHASER),

WITNESSETH,

WHEREAS, SPONSOR is the Sponsor of a condominium conversion of premises located at 554 4th Avenue, Brooklyn, New York and;

WHEREAS, PURCHASER has executed a Purchase Agreement for Unit ____ (the "Apartment") at said premises, and;

WHEREAS, PURCHASER wishes to occupy said Apartment prior to the closing of title;

NOW, THEREFORE, in conformity with the terms and conditions of the Offering Plan filed with the Attorney General of the State of New York, the parties agree as follows:

1) Commencing on _____, 20____, and terminating as hereinafter specified, PURCHASER shall have the right to use and occupy the aforementioned Apartment.

2) After a free three week grace period, PURCHASER shall pay a fee for use and occupancy of the Apartment of \$_____ per month. It is understood that this use and occupancy fee is not rent, and that no landlord-tenant relationship has been created between the parties, and that this Agreement is not governed or subject to any rent regulatory laws. PURCHASER has deposited with SPONSOR, and SPONSOR recognizes that PURCHASER has deposited the sum of \$_____ representing a deposit under the Purchase Agreement. **PURCHASER'S deposit of \$_____ shall be applied against the purchase price of the Unit at closing and is subject to forfeiture by PURCHASER in event of his default under the Purchase Agreement.** In the event of Purchaser's default under the terms of the Interim Lease, Sponsor may direct the Escrow Agent to pay any use and occupancy fees due by Purchaser from such deposit.

3) The use and occupancy fee for the month in which closing occurs shall be adjusted at closing. No portion of the use and occupancy fee will be applied to the purchase price of the apartment. **Any unapplied use and occupancy fee shall be refundable to PURCHASER at closing.**

4) The terms of the Offering Plan and all related documents in effect as of the date hereof are incorporated in and made a part of this Agreement. To the extent that there are any inconsistencies between this Agreement and the Offering Plan, the provisions of the Offering Plan shall control.

5) As of the date of this Agreement, risk of loss to the Apartment and its contents by fire or other hazard shall be determined pursuant to the terms of the Purchase Agreement for such

Apartment, as contained in the Offering Plan for the premises in effect as of the date hereof, as if PURCHASER were the owner of such Apartment.

6) PURCHASER shall pay all utility costs and make any repairs to the apartment for which he would be obligated as owner subject to the terms and provisions of Paragraph 12. SPONSOR will not be responsible for ordinary wear and tear to the Apartment during the PURCHASER'S occupancy.

7) PURCHASER may not make any alterations to the Apartment without SPONSOR'S written consent.

8) This lease will terminate on the happening of the earliest of the following:

- a. Closing
- b. Rescission ("Rescission") of the Purchase Agreement by PURCHASER under the Offering Plan
- c. Default by PURCHASER

9) Upon a non-monetary default by PURCHASER which is not cured within 30 days after notice thereof, or immediately after Rescission of the Purchase Agreement by PURCHASER, PURCHASER'S right to occupy the apartment will terminate, and PURCHASER must vacate the Apartment. PURCHASER agrees to pay SPONSOR \$500.00 per day for each day he remains in possession following the periods set forth above, and PURCHASER AND SPONSOR hereby irrevocably authorize ESCROW AGENT to deduct said per diem sum directly from any amounts being held in escrow pursuant to the Purchase Agreement. Nothing contained herein shall be construed so as to limit SPONSOR'S ability to have PURCHASER evicted from the premises and to pursue any other legal remedy available to SPONSOR, nor shall anything herein be construed as a waiver by the SPONSOR of his right to retain, as liquidated damages, the down payment deposited upon execution of the Purchase Agreement.

10) Any default under this Agreement will be a default under the Purchase Agreement, and any default under the Purchase Agreement will be a default under this Agreement. Before Sponsor may utilize the default under this Agreement to declare a default under the Purchase Agreement, Sponsor must either obtain an order of eviction or other judgment or order from a court or agency of competent jurisdiction against the PURCHASER unless the PURCHASER has vacated the Unit. Any such default will terminate PURCHASER'S right to use and occupy, and will also terminate PURCHASER'S right to purchase the Apartment, and shall result in loss of the down payment.

11) This Agreement may not be assigned, and may not be changed, except by signed, written instrument. This Agreement is the entire agreement between the parties as regards use and occupancy of the Apartment pending closing.

12) As of the date hereof, PURCHASER confirms that all work required to be done in or about the subject apartment has been completed, that the condition of title as set forth in the PURCHASER'S title report is acceptable, and that in all respects PURCHASER agrees to accept the Apartment in "as is" condition except for the aforementioned items. As of the date hereof,

PURCHASER waives any right whatsoever to cancel the Purchase Agreement, except for a material change in the Offering Plan.

13) Failure to appear for closing within 30 days after delivery to PURCHASER of notice by fax or mail that SPONSOR is prepared to close shall be deemed a default both in this Occupancy Agreement and in the Purchase Agreement entitling SPONSOR to cancel the Purchase Agreement, retain all sums previously paid and remove PURCHASER from the subject apartment, and collect the increased use and occupancy fee set forth in Clause 9 above.

14) PURCHASER agrees that as a term of this Occupancy Agreement to pay a lease preparation fee in the amount of \$500.00 to SPONSOR'S attorney.

15) In the event there are any inconsistencies between the Offering Plan and this Interim Lease, the terms of the Offering Plan shall govern.

IN WITNESS WHEREOF, the parties hereunto set their hands this ____ day of _____, 20__.

SPONSOR:

4 AVE BU LLC

By:_____

PURCHASER:

TAX ESCROW AGREEMENT

AGREEMENT made this ____ day of _____, 20__ by and among 4 AVE BU LLC (hereinafter referred to as “Sponsor”), the Board of Managers of the 554 4th Avenue Condominium (hereinafter referred to as “Board of Managers”) and _____, (hereinafter referred to as “Purchaser”)

W I T N E S S E T H:

WHEREAS, Sponsor is the Sponsor of the 554 4th Avenue Condominium located at 554 4th Avenue, Brooklyn, New York; and,

WHEREAS, the Board of Managers is charged with governing the operation of said Condominium; and,

WHEREAS, as of the date hereof, Sponsor controls the Board of Managers; and

WHEREAS, the Purchaser is acquiring title to Unit ____ (the “Unit”) on the date hereof; and,

WHEREAS, the individual Condominium Units located at the aforementioned property have not been separately assessed for real estate tax purposes prior to the closing of the first Unit located thereat; and,

WHEREAS, the Board of Managers desires to secure the Purchaser’s obligation to pay Purchaser’s proportionate share of the taxes due for the Unit for the _____ of the _____ tax year in the event that property has not been separately assessed by _____; and,

NOW, THEREFORE, the parties agree as follows:

1. At closing, the Purchaser shall escrow funds with the Sponsor for Purchaser’s proportionate share, based on the Unit’s percentage of Common Interest, of the Sponsor’s real estate tax obligation for the _____ of the _____ tax year (the “Tax Obligation”) in the amount of \$_____.

2. The Board is irrevocably authorized to pay, and hereby agrees to so pay, Purchaser’s proportionate share of such real estate taxes as are assessed against the premises from the escrow account when such taxes are due and payable.

3. In the event that the Purchaser’s escrow of the Tax Obligation shall be insufficient to meet the Purchaser’s proportionate share of the actual assessed real estate taxes, the Board of Managers shall assess the Purchaser for such shortfall. Purchaser hereby agrees to pay such assessment in accordance with the terms of the Declaration and By-Laws but in no event later than the due date for such real estate tax payment.

4. Upon each subsequent closing of the remaining Units, the Sponsor shall collect the estimated amount of taxes attributable to such Unit for the _____ of the _____ tax year

from the purchaser thereof.

5. The escrow shall be kept in a non-interest bearing account.

6. The escrow account shall be maintained in accord with all laws, rules, and regulations of the State of New York, specifically including, but not limited to, the General Business Law; and, shall be deemed held for the benefit of the condominium.

7. In the event that any sum paid to the Board hereunder shall not be paid toward real estate taxes for any reason, such sum shall be reimbursed to the Purchaser or Sponsor who advanced same.

8. Purchaser shall be entitled to receive any retroactive credit for real estate taxes actually paid by Purchaser (either directly or via payment from the escrow account) from the date of closing until the individual tax lot for the Unit is separately assessed which credit is properly allocated to the Unit. In the event that such retroactive credit is given to the Sponsor, Sponsor shall promptly reimburse the Purchaser in the amount of said credit.

9. Sponsor shall be entitled to receive any retroactive credit for real estate taxes actually paid by Sponsor for any period prior to closing which credit is properly allocated to the Unit. In the event that such retroactive credit is given to the Purchaser, Purchaser shall promptly reimburse the Sponsor in the amount of said credit

10. In the event that the individual Condominium Units have not been separately assessed for real estate tax purposes on or before _____, the Board will collect an additional escrow from each Unit Owner for the Unit Owner's proportionate share of the amount determined by the Board to be sufficient to pay the outstanding real estate taxes. In such event the Board shall be authorized to pay all outstanding real estate taxes directly to the New York City Department of Finance.

11. The Unit Owner indicated below has executed this Agreement for the purpose of consenting to the terms hereof and to agree to advance to the Board any sums that represent the proportionate share of real estate taxes for his or her Unit until the time when the City of New York actually apportions the tax lots for the individual condominium units.

12. This Agreement may be signed in counterparts and facsimile or other electronic copies of signatures shall be deemed originals for purposes of this Agreement.

[Signature page follows]

IN WITNESS WHEREOF, the parties set their hands the date above first written.

4 AVE BU LLC
SPONSOR

By: _____
Name:
Title:

4 AVE BU LLC
SPONSOR

FOR THE BOARD OF MANAGERS OF
THE 554 4TH AVENUE CONDOMINIUM

By: _____
Name:
Title:

CONSENT:

Purchaser

ROART

304 Malcolm X Blvd
Brooklyn, NY 11233
T: 718.428.5654

DESCRIPTION OF PROPERTY AND SPECIFICATIONS

554 4th Avenue
BROOKLYN, NY

Date: May 12, 2017

Prepared by:

ROART
304 Malcolm X Blvd
Brooklyn, NY 11233



Confidential

A. Location of Property

1. Address: 554 4th Avenue, Brooklyn, New York, 11215
2. Block No.: 1046
3. Lot No.: 37
4. Zoning District: R8A/C2-4
5. Permissible Uses: In accordance with New York City Zoning regulations, Residential and Commercial use is permitted.
6. Year Built: N/A
7. This property and its proposed use will comply with all zoning and use requirements at closing.

B. Status of Construction

1. The building is presently in the construction phase. The anticipated substantial completion date is on or about March 2018, unless delayed by weather, strikes, lockouts, acts of God, shortages of, or inability to, obtain materials, equipment or labor, governmental restrictions or preemption, damage by fire or the elements or any other cause over which the sponsor has no control.
2. Class of Construction: The building will be classified as Class IB and will conform to all applicable regulations of the Building Code of the City of New York ("Building Code").
3. Certificate of Occupancy: After completion of construction, the Developer will apply for a Certificate of Occupancy for the building from the City of New York Department of Buildings.
4. The architect's plans have been filed with all city agencies having jurisdiction for approval, including, but not limited to, (the Department of Buildings, the Department of Environmental Protection and the Department of Parks and Recreation.)
5. The proposed work consists of: Utility, Storage & Bicycle Parking rooms in the Cellar; Tenant Entry at 1st Floor; Apartments on Floors 3 thru 12, and a Tenant-accessible Recreation Area on the Third Floor terrace.
6. The start and completion date for 554 4th Avenue is November 2016 – March 2018.
7. 554 4th Avenue is compliant with 2014 NYC Construction Codes.

C. Site

1. Size: The lot site area is 7,909.6 square feet. The site is located on the corner of

- 4th Avenue and 15th Street as described below: Beginning at a point on the southwesterly side of 15th Street, distant 87 feet 10-1/2 inches northwesterly from the corner formed by the intersection of the southwesterly side of 15th Street with the northwesterly side of 4th Avenue; running thence southwesterly and parallel with 4th Avenue, 100 feet; thence southeasterly and parallel with 15th Street, 87 feet 10 ½ inches to northwesterly side of 4th Avenue; thence northeasterly and along northwesterly side of 4th Ave 20 feet; thence northwesterly and parallel with 15th Street, 43 feet 10 ½ inches; thence northeasterly and parallel with 4th Avenue, 20 feet; thence southeasterly and parallel with 15th Street, 43 feet 10 ½ inches; thence northeasterly and along with 4th Avenue, 60 feet; thence northwesterly and along with 15th Street; 87 feet 10 ½ inches to the point or place of beginning.
2. Number of buildings and use: Of the six buildings on the site, five were demolished. The two party walls of the existing building on lot #43 will remain, but a new roof and street wall will be built and shall be included as part of the single new building to be constructed on the site.
 3. Streets owned or maintained by the project:
 - a) Paving: 4th Avenue and 15th Street are paved with asphalt; they are in good condition and are owned and maintained by the City of New York.
 - b) Curbing: New concrete sidewalk, and curb to be installed.
 - c) Catch Basins and drainage: The sidewalk is presently pitched to drain into existing cast iron catch basins attached to the New York City storm water drainage system.
 - d) Street Lighting: The street lighting is owned and maintained by the City of New York.
 - e) The items listed above conform to local fire rules and city codes.
 4. Drives, sidewalks and ramps:
 - a) Paving: New concrete sidewalk will be installed.
 - b) Curbing: New concrete curbing will be installed.
 5. Easement: There is one easement along the entire length of the west property line of the site, measuring 5' x 100'.
 6. Proximity of odor emitting facilities: No known odor emitting facilities.

D. Utilities

1. Water: 1 main water meter. Water supply and combined sewer servicing the building will be provided by the City of New York. Water will be collectively metered and borne by the residential and commercial unit owners.
2. Electricity: To be provided by Consolidated Edison Company. The electricity to each residential unit and each commercial unit shall be separately metered. The electricity consumed in the common areas will be separately metered by

- Con Edison and will be borne by the residential unit owners as a common expense. Amperage capacity provided will handle all anticipated loads to units. Unit services, including switching and fusing, will be adequate for modern day appliances, lighting, washers, dryers and heat pumps.
3. Telephone and Cable: Telephone and cable service will be provided by an independent private entity and other phone providers. It will be each unit owner's obligation to purchase telephones and arrange for connection to telephone & cable services for their unit.
 4. Gas Meters: There will be one (1) National Grid gas meters for each of the three (3) Commercial Units and one (1) National Grid gas meter for all residential units for a total of four (4) meters. The gas meters will be located in the cellar gas meter room.

E. Sub-Soil Conditions

1. A new concrete foundation will be built for new construction, with the exception of the 20'-0" x 43'-10 1/2" portion of the lot at the South-East corner. The party walls, footings, and slab on grade on this portion of the lot are to remain.
2. There appears to be no danger from flooding due to mudslides or erosion in the area.
3. Water was observed at 39'-0" within the depth of soil borings performed. This elevation refers to the sidewalk elevation datum of 0'-0", which corresponds to NAVD88 elevation 50.13'. Ground water levels vary by season and will rise and fall with the nearby tidal force.
4. The building foundation system is accurately sized to support the calculated load.

F. Landscaping and Enclosures

1. Grass cover: None.
2. Yard: Asphalt at easement.
3. Plantings: None.
4. Trees: Four new trees to be planted off-site, three to be paid into tree fund, per NYC Parks guidelines.
5. Fencing: There will be a 3'-8"H non-combustible fence surrounding the HVAC condensing units on the Third Floor terrace.
6. Gates: One security door separating easement from 15th Street on the North-West corner of the site.
7. Garden walls: None.

8. Retaining walls: None.
9. Display pools and fountains: None.
10. Front decorative stoop: None.

G. Building Size

1. Existing Building Height: Approximately 14'-0" (at the 20'-0" x 43'-10 1/2" portion of the lot at the South-East corner only)
2. Underground spaces: N/A
3. Number of Existing Floors: 1 (the 20'-0" x 43'-10 1/2" portion of the lot at the South-East corner only)
5. Number of Floors Proposed: Eleven floors and a Cellar.
6. Proposed New Building Height: 118'-9"
7. The heights of the proposed units are approximately as follows:

Floor	Top of Slab to Top of Slab (*)
Cellar to 1 st Fl	10'-6"
1 st to 3 rd Fl	12'-0"
3 rd to 4 th Fl	10'-1"
4 th to 5 th Fl	10'-1"
5 th to 6 th Fl	10'-1"
6 th to 7 th Fl	10'-1"
7 th to 8 th Fl	10'-1"
8 th to 9 th Fl	10'-1"
9 th to 10 th Fl	10'-1"
10 th to 11 th Fl	10'-1"
11 th to 12 th Fl	12'-0"
12 th to Roof	12'-0"

*Does not include floor to ceiling heights of kitchens, bathrooms and hallways, which will be less by approximately 1'-2". The ceiling heights of kitchens, bathrooms and hallways will be a minimum of 7'-6". The minimum required floor to ceiling height in New York City according to the applicable provisions of the New York City Building Code is 7'-6". Floors may have ceilings dropped in certain areas of the apartments to accommodate mechanical fixtures. Ceiling heights may vary based upon site conditions.

8. Bulkheads and Roof Top Equipment Rooms: There is one elevator bulkhead, one trash chute bulkhead, and one elevator bulkhead. There is one bulkhead enclosing the following: stair, elevator, elevator vestibule and boiler room. There are 3 hot water heaters in the roof mechanical room. There are 9 condenser units on the roof.

9. Parapet: Parapet height measured from the finished surface of the terrace is 3'-6". The New York City Building Code requires in all structures exceeding 15'-0" in height, that exterior masonry walls have parapet walls carried 3'-6" above the roof.
9. There are six equipment rooms located in the cellar floor. They are the elevator control room, water pump room, electrical room, gas meter room, tv/data room, and the trash compactor room.

H. Structural System

1. Interior of Building:
 - a) Foundation: Proposed foundation walls and footings consist of reinforced concrete.
 - b) Structural System: Proposed structure consists of 8" reinforced concrete floor slabs and reinforced concrete columns supporting non load-bearing steel joist and CMU partitions. A 43' x 19' portion of the Third Floor public terrace will be supported by 12" light gauge steel joists.
 - c) The foundation is a combination of a 30" mat slab and as reinforced concrete pile caps on supported by 9 5/8" diameter micropiles.
 - d) GRACE below grade waterproofing is used for the foundation walls and STEGO vapor barrier are used for floor slabs.
- 3.Exterior of Building:
 - a) The building will be subject to Local Law 11 inspections at three year inspection cycles.
 - b) All facades will have aluminum windows.
 - c) The First Floor east and north façades will be storefront glazing and tile. The Third through Twelfth Floor east and north façades will be EIFS and aluminum panels. The west façade will be EIFS and aluminum panels. The south façade will be EIFS and aluminum panels.
 - c) Parapets are masonry and copings will be aluminum.
 - d) Terrace and roof guardrails will be glass.
 - e) Window walls will be installed as per manufacturer specifications and building standards.
 - f) EIFS assembly will be used in combination with an air/vapor barrier.
 - g) East Wall- Window wall assembly with metal furring and insulation panel assembly (2 ½" THERMAX FOIL FACED RIGID INSULATION (r=16.25))

- Tile on metal stud with 3" closed cell spray insulation (r=21) and DOW CAVITY MATE ULTRA 2" rigid insulation (r=12)

- Metal stud with EIFS assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12) and 3" closed cell spray insulation (r=21).

- Window wall assembly with metal furring and laminated panel assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12).

North Wall - Tile on metal stud with 3" closed cell spray insulation (r=21) and DOW CAVITY MATE ULTRA 2" rigid insulation (r=12)

- Window wall assembly with metal furring and insulation panel assembly (2 ½ " THERMAX FOIL FACED RIGID INSULATION (r=16.25))

- Metal stud with EIFS assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12) and 3" closed cell spray insulation (r=21).

- Window wall assembly with metal furring and laminated panel assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12).

West Wall -Metal stud with EIFS assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12) and 3" closed cell spray insulation (r=21).

- Window wall assembly with metal furring and laminated panel assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12).

- Window wall assembly with metal furring and insulation panel assembly (2 ½ " THERMAX FOIL FACED RIGID INSULATION (r=16.25))

- 8" cmu partially grouted with metal furring and EIFS assembly with 2 ½ " closed cell spray (r=17.5) with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12)

- 12" concrete wall with metal furring EIFS assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12)

South Wall - Metal stud with EIFS assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12) and 3" closed cell spray insulation (r=21).

- 8" cmu partially grouted with metal furring and EIFS assembly with 2 ½ " closed cell spray (r=17.5) with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12)

- 12" concrete wall with EIFS assembly with DOW CAVITY MATE ULTRA 2" rigid insulation (r=12) (no interior finish)

- 12" concrete wall with metal furring and EIFS assembly. With DOW CAVITY MATE ULTRA 2" rigid insulation (r=12) and 2 ½ " closed cell spray (r=17.5).

4. Windows:

Manufacturer: Asas Aluminum

Type: Casement and window wall

Material Composition: Powder Coated Aluminum

Flashing: Aluminum

Caulking: Exterior sealant: Tremco Spectrum 2

Interior sealant: Tremco Exo Air LEF
IGU Sealant: Dow Corning Silicone DC3362

Glazing:

Transparent Window Wall: 1/4" tempered Clear Sisecam 50/33 outer pane, 3/4" tempered cavity, 1/4" tempered Clear Sisecam inner pane.

Opaque Window Wall: 1/4" tempered Clear Sisecam 50/33 outer pane, 3/4" cavity, 1/4" tempered opaque painted.

Casement: 1/4" tempered Clear Sisecam 50/33 outer pane, 5/8" cavity, 1/4" tempered Clear Sisecam inner pane.

Corrosion Resistant Lintels: CMU bond beam at unit 3E.

Screens: None.

Sills: Powder Coated Aluminum

Storm: Manufacturer's Standard Data, Test Reports.

Sash: Powder Coated Aluminum

Hardware: GU geared handle with locking mechanism, GU axial hinges, sash limit stops.

Warranty: 20 year warranty on powder coated finish; 10 year warranty on parts and insulated glass; 1 year warranty on installation.

5. Lot Line Windows: Seven (7) 3' x 6' lot line casement windows with overhead sprinkler each on east facade. There is one lot line window in each of the following units: 6E, 7E, 8E, 9E, 10C, and 11B.

Chimneys and Caps: The hot water heaters located on the roof mechanical room will vent through one flue each that will terminate at a weatherproof enclosure at the bulkhead roof. All ductwork shall be made from galvanized steel with gauges conforming to the latest ASHRAE guide. All supply ductwork shall be sealed airtight with Minnesota Mining Co; type 800 sealed compound. There is one fireplace located on the 12th floor in the penthouse.

6. Exterior Entrances:

a) There are no service entrances.

b) Exterior doors will be either aluminum and glass or hollow metal.

c) There are no exterior stair entrances.

d) All main entrance and commercial doors are aluminum with glass (ASAS ALUMINUM)
- elec.lock MEDECO 100500S

All egress doors are hollow metal (manufacture tbd)
- lock set STANLEY QED113-US26D FINISH

e) Mailboxes are in the rear of the building lobby. All mailboxes comply with ICC A117.1 and shall be no higher than 48".

f) All exterior lighting on the ground floor are ceiling recessed HALO

EL406930 LED. The third floor roof contains parapet mounted fixtures ACCESS LIGHTING 20375LEDMG-SAT/FST LED as well as ceiling mounted WAC LIGHTING FM-W2612-GH. Wall surface mounted NUVO 77-894 are used on roof and easement.

7. Roof:

a) Type of Roof:

- i. Material: At Main Roof: Built-up membrane roof on reinforced concrete slab. At Third Floor Recreation Area Roof: Built-up membrane roof on concrete, steel decking, and light gauge steel joists.
- ii. Insulation: 4" min. thickness EPS board insulation, R=5/inch.
- iii. Surface finish: At occupied roofs: concrete pavers and traffic coating. At unoccupied roofs: Built-up membrane.
- iv. Bond or guarantee: 20 year manufacturer's Warranty
- v. Flashing material: Aluminum.
- vi. Parapet finish: Waterproof coating and stucco. b) Drains: There three (3) roof drains at Third Floor public terrace, two (2) roof drains at Third Floor private terraces, one (1) area drain at Fourth Floor private terrace, two (2) roof drains at Fourth Floor private terraces, two (2) area drains per floor of Fifth through Ninth Floor private terraces, two (2) area drains at Tenth Floor private terraces, two (2) roof drains at Tenth Floor private terraces, two (2) area drains at Eleventh Floor private terraces, one (1) roof drains at Eleventh Floor private terraces, two (2) area drains at Twelfth Floor private terraces, five (5) roof drains at Twelfth Floor private terraces, one (1) pool drain at Twelfth Floor private pool, and three (3) roof drains located on the Roof.
- vii. Roof System -
BARRETT PolyFelt 3.5 filter fabric
PALMER ASPHALT COMPANY Bulldog Q.D Primer
GAF I1225HGP modified bituminous roofing
GAF MajorSeal liquid flashing
BARRET Ram drain

c) Skylights: None.

d) Bulkheads: There is one elevator bulkhead, one trash chute bulkhead, and one stair bulkhead. The composition of the bulkhead walls consist of 12" solid concrete with 2" EIFS finish or 8" CMU with 2" EIFS finish.

e) Metal work at roof levels:

- i. Railings: Aluminum shoe for glass railing.
- ii. Mechanical duct penetrations and associated fans.

f) Roof Top Facilities:

The Roof will be inaccessible to Tenants and will have a traffic coating over the 4" built-up membrane system.

- i. The Condominium management will have unlimited access to all areas of the roof, terraces and cellar for the purpose of making inspections and repairs.
 - ii. No enclosed areas can be built as-of-right on the roof. Any change to the location, configuration or materials of the access stairs to the roof requires permit from the Department of Buildings. Any additional roof terrace construction, including any terrace paving, plumbing work, electrical work, or terrace structures requires a permit from the Department of Buildings.
 - iii. Private Terraces: Unit 3C, 3D, 4C, 4D, 5C, 5D, 6C, 6D, 7C, 7D, 8C, 8D, 9C, 9D, 10A, 10B, 11A, and 11B will have private terraces. These terraces will be finished with 1" concrete pavers on pedestals over a 4" built-up membrane system. All railings are glass and do not create the "ladder effect". The underside of all terraces overhangs are aluminum composite panels. Doors to the terraces are inswing ASAS aluminum frame with glass.
 - iv. Public Terraces: Tenants will have access to a Third Floor Recreation Area. Access to the Third Floor recreation area is through the Third Floor public corridor which is accessed from the elevator, Stair A, or Stair B. An exterior stair provides an exit into the easement but will not allow entry.
 - v. Balconies: There are no balconies on the building.
8. Fire Escapes: None.
9. Interior Stairs:
- a) There are two (2) egress stairs, which extend from the Cellar to the Roof. There is one (1) commercial stair in commercial unit B that extends from the cellar to the ground floor. All stairs comply with 2014 NYC building code.
 - b) Both enclosed egress stairs use 1.5 hr FPSC rated doors. They are enclosed by 12" solid concrete and 8" CMU walls.
 - c) Construction of unit 11B interior stairs -
Painted wood treads mounted to painted wood stringers.
Handrails to be painted metal tube mounted to painted metal vertical supports.
 - d) Stairs are reinforced concrete construction.
 - there are no stringers
 - treads are concrete
 - risers are concrete
 - guard rails are 1 ½" diameter painted steel tube.

10. Exterior Stairs:
 - a) There is one (1) exterior stair providing an exit from the Third Floor Recreation Area.
11. Interior Doors and Frames:
 - a) Unit Entrance Doors: Unit Entrance Doors: Entrance doors will be rated hollow metal frames and rated hollow metal doors, meeting New York City Building Code requirements.
 - b) Stair Doors and Frames: All non-unit entrance doors and frames leading to public corridors and exit stairs will be hollow metal and will meet the New York City Building Code requirements.
 - c) Roof Doors, Cellar Doors and Frames: Cellar Doors and frames will be hollow metal and will meet the New York City Building Code requirements. Roof doors will be insulated metal and will meet the New York City Building Code requirements.
 - d) Residential Unit Interior Doors: The apartment interior doors shall be solid core wood doors in wood frames.
 - e) Corridor Doors and Frames: All doors and frames shall be hollow metal and will meet the New York City Building Code requirements.
12. Elevator: There will be two (2) MRL elevators in the building. The 80" x 65" elevator cab will serve the Cellar through the Twelfth. The 68" x 65" elevator cab will serve the Cellar through the Eleventh Floor.
 - DRAKA WHISPER-FLEX WF10 capacity of 2,500 LBS.
 - automatic controls with sliding automatic doors.
 - elevator control room is located on the cellar floor.
13. Elevator Cab: One (1) Elevator cab accessibility will comply with Section 407 of the ICC and A117.1-2008.
14. Elevator Cab Finishes:
 - CAB: SC1 BASIC, ST STL #4
 - CEILING: CL2 Downlight, ST STL
 - HANDRAIL: HR1 Round #4 Brushed
 - FIXTURES: FX2 Anti Vandal
 - FLOOR: Metal studded rubber flooring.

I. Auxiliary Facilities

1. Refuse Disposal:
 - a) Incinerators: None.
 - b) Compactor: There is one compactor located in Cellar Compactor Room.
 - c) Chutes: Residents have access to the trash chute on the 3rd through 12th floors.
 - d) Storage Location: Refuse storage is provided for in the Cellar

Compactor Room.

- e) Trash Removal: Trash will be removed to the curbside, and will then be picked up by the New York City Department of Sanitation.
 - f) Trash compactor:
Manufacturer - CHUTES ENTERPRISES
Model - CE-150
Capacity - 11 cubic yards per hour
2. Laundry Equipment: No laundry equipment will be provided. Connections will be provided for washing machines and dryers. Dryers must be electric and ventless.
 3. All auxiliary facilities are in the cellar and ground floor. There is one package room located on the ground floor. Unit A commercial storage space is also provided on the ground floor. The bicycle parking is located on the cellar floor that provides 20 spaces for residents. Unit B commercial storage is also located on the cellar floor.

J. Plumbing and Drainage

1. Water Supply: The water supply connection is made at the cellar level, 4"Ø Type L, hard temper copper tubing, to the water main along 15th street.
2. Fire Protection System:
 - a) Sprinkler system: The building will have two (2) fire standpipes extending from the cellar to the roof level of 4"Ø and 6"Ø located in the stairs
 - b) Siamese Connection: Flush mounted 6"x3"x3" fire department connection located on 15th street.
 - c) Hose racks, hoses, and nozzles are located in the first and seventh floor stair cores.
 - d) Commercial pendent sprinkler head Reliable MOD.F156 (k5.6) temperature rating 155F located in commercial areas.
Commercial upright sprinkler head Reliable MOD.F156 (k5.6) temperature rating 155F located in commercial areas.
Residential sidewall sprinkler head Reliable MOD.FIRES44 (k4.9) temperature rating 155F located in residential areas.
Residential flat concealed sprinkler head Reliable MOD.RFC49 (k4.9) temperature rating 165F located in residential areas.
3. Water pressure and how maintained: Standpipes are pressurized with a compressor (General Air Products Model#: L620100A-50, 1hp). Domestic water is pressurized with a duplex model pump (US Pump Corp, Model# (2) Goulds CR 20-1, 3 hp)
4. Domestic Hot Water System:

- a) Method: Gas-fired water heaters will provide hot water to all the residential units.
 - b) Number of water heaters: There are three water heaters (A.O. Smith Model# BTH-300, 300 MBtu) that serve the entire building.
 - c) The hot water piping material will be copper, type "L".
- 5. Sanitary Sewage System:
 - a) Sewage Piping: Cast iron
 - b) Sewage Disposal: New York City Sewer
 - c) Duplex sewage ejector for sanitary system providing 4" discharge and 3" vent, located in the cellar water pump room.
- 8. Permits: Permits are required for the installation of all water pumps, heating equipment, sprinkler/standpipe material and equipment, plumbing fixtures, and other new work described in this section. DEP approvals are required and have been obtained for backflow preventers at new water mains. The contractor or the sponsor will obtain all of the above noted permits.
- 7. Storm Drainage System:
 - a) Catch basins: None
 - b) Roof drains: There will be three roof drains of 4"Ø on the roof level, as well as scuppers for the stairs, elevator, and mechanical room bulkhead. Roof drains will also be located on the terrace of lower floors that is subjected to rainfall.
 - c) All roof, terrace, and area drainage will be directed to a 6" storm house trap.
 - d) Piping: Cast iron
- 8. Combined storm/sanitary site connection: Storm and sanitary drains are discharged into a 6"Ø connection to combined sewer of New York City.
- 9. Insulation of piping will be provided per 2014 NYC building code requirements.
- 10. (2) Sump pumps are located in the elevator pit, using 1 1/2" diameter discharge.

K. Heating/ Air Conditioner

- 1. Split heat pump system for 3rd through 12th Floor residential units: There is one outdoor VRV capable condensing unit that serves each floor. Each room will be provided with ducted forced air concealed unit. Refrigerant R-410a is supplied by the condenser units on the roof to the wall mounted indoor units. The ambient temperature used in calculations are 68-77 degrees Fahrenheit, internal temperature 70 degrees Fahrenheit.
- 2. Type of controls: Each heat pump within the apartment shall have a custom programmable thermostat to maintain set temperature based on time of day

setting.

3. There will be fifteen (15) wall mounted electrical heaters and air conditioner in the building lobby, corridors, and stairs. There is a split system with two ducted concealed air handlers coupled with an outdoor heat pump unit to serve the residential lobby.
4. The residential cellar is conditioned by a split heat pump system and two electric heaters.
5. Commercial spaces on the first floor are given one condensing unit each. The indoor units and duct work shall be installed by tenants occupying the space.

L. Gas Supply

1. Type: Natural Gas, 3"Ø to City gas main
2. Meters: one meter for the entire building
3. Piping: Schedule 40 Black Steel.

M. Air Conditioning

1. Multi-split air-cooled heat pumps: Residential units on the same floor will share an outdoor unit. Outdoor units are heat pumps with variable refrigerant flow. The air handlers are concealed and ducted to zone the loads.
2. Condensing Unit: Outdoor units serving residential apartments are located on the roof. Outdoor units serving the lobby, cellar and commercial space are located on the 3rd floor terrace.
3. Manufacturers: Air conditioner splits systems are from Daikin. Electric Heaters are from Berko.

Table for Split System Indoor Unit Schedule – Cooling/Heating (Basis of Design: Daikin) All units may be substituted with an equivalent or better model at the discretion of the sponsor.

Air Conditioner Schedule										
A/C #	A/C Unit Type	Mod. #	Cooling Capacity Ton (MBH)	Heating Capacity MBH	Air Flow (CFM)	Unit Supply Voltage	Weight	EER (IEER)	CO P	Service Space
AH-1	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			3A
AH-2	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			3B
AH-3	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			3C

AH-4	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			3D
AH-5	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			3E
CU-1	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-6	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			4A
AH-7	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			4B
AH-8	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			4C
AH-9	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			4D
AH-10	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			4E
CU-2	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-11	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			5A
AH-12	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			5B
AH-13	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			5C
AH-14	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			5D
AH-15	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			5E
CU-3	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-16	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			6A
AH-17	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			6B
AH-18	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			6C
AH-19	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			6D
AH-20	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			6E
CU-4	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-21	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			7A
AH-22	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			7B
AH-23	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			7C
AH-24	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			7D
AH-25	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			7E
CU-5	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-26	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			8A
AH-27	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			8B

AH-28	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			8C
AH-29	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			8D
AH-30	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			8E
CU-6	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-31	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			9A
AH-32	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			9B
AH-33	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			9C
AH-34	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			9D
AH-35	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			9E
CU-7	Outdoor Unit	RXYQ192TTJU	16 (184)	206		208/230-3-60	435+528	11.9 (22.2)	3.8	
AH-36	Ceiling-Concealed Indoor	FXMQ48PAVJU	4 (48)	54	1377/988	208/230-1-60	102			10A
AH-37	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			10B
AH-38	Ceiling-Concealed Indoor	FXMQ12PAVJU	1 (12)	13.5	450/388	208/230-1-60	62			
AH-39	Ceiling-Concealed Indoor	FXMQ48PAVJU	4 (48)	54	1377/988	208/230-1-60	102			10C
CU-8	Outdoor Unit	RXYQ168TTJU	14 (160)	188		208/230-3-60	695	10.6 (22.1)	3.7 4	
AH-40	Ceiling-Concealed Indoor	FXMQ24PAVJU	2 (24)	27	688/565	208/230-1-60	80			11A
AH-41	Ceiling-Concealed Indoor	FXMQ12PAVJU	1 (12)	13.5	450/388	208/230-1-60	62			
AH-42	Ceiling-Concealed Indoor	FXMQ24PAVJU	2 (24)	27	688/565	208/230-1-60	80			11B
AH-43	Ceiling-Concealed Indoor	FXMQ12PAVJU	1 (12)	13.5	450/388	208/230-1-60	62			
AH-44	Ceiling-Concealed Indoor	FXMQ36PAVJU	3 (36)	40	1130/812	208/230-1-60	102			
AH-45	Ceiling-Concealed Indoor	FXMQ54PAVJU	5 (54)	60	1624/1130	208/230-1-60	104			12TH FLOOR
AH-46	Ceiling-Concealed Indoor	FXMQ07PAVJU	1 (8)	8.5	317/229	208/230-1-60	55			
CU-9	Outdoor Unit	RXYQ168TTJU	14 (160)	188		208/230-3-60	695	10.6 (22.1)	3.7 4	
AH-85	Wall-mounted Indoor	FxAQ12MVJU	1 (12)	13.5	300/180	208/230-1-60	25			1ST FLOOR RESIDENTIAL LOBBY
AH-86	Wall-mounted Indoor	FxAQ12MVJU	1 (12)	13.5	300/180	208/230-1-60	25			
CU-10	Outdoor Unit	RXTQ36TAVJU	3 (34)	37		208/230-1-60	283	12 (18 SEER)	HS PF 10.3	
CU-11	Outdoor Unit	RXYQ96TTJU	8 (92)	103		208/230-3-60	525	15.1 (28)	4.6	1ST UNIT A
CU-12	Outdoor Unit	RXYQ96TTJU	8 (92)	103		208/230-3-60	525	15.1 (28)	4.6	1ST UNIT B
AH-87	Ducted-concealed indoor	FXMQ96MVJU	8 (96)	108	1236	208/230-1-60	302			CELLAR

CU-13	Outdoor Unit	RXYQ96TTJU	8 (92)	103		208/230-3-60	525	13 (22.7)	4	
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1. Provide insulation for refrigerant pipes, diameters of pipes are determined by manufacturer, consult NYC ECC for insulation thickness.
2. Provide filters for air handling units.
3. Secondary drain pan w/ overflow switch for each air handling unit
4. Provide condensate drain pump for each AC unit as required. Provide 1" condensate drain
5. Duct work must be insulated according to NYC ECC
6. Provide access panels for air handling unit for inspection and maintenance.

N. Electrical System

1. Service entrances: existing connection from 4th Avenue, 1200A, 208V/120V A.C, 3PH, 4W, 60 Hz.
2. Unit service:
 - a) The residential units will each be provided with an individual direct utility company electric meter and a 120/208 volt single-phase panel board. Each residential unit will be provided adequate power for residential unit lighting, power and receptacles.
 - b) The building was designed in compliance with the 2010 New York Energy Conservation Code.
3. Adequacy:
 - a) Service: Each dwelling units has an average 0.7 watts/ft² for lighting in addition to appliances and air conditioning load.
 - b) Lighting and fixtures: Lighting fixtures consist of a variety of ceiling and wall mounted lights inside each apartments. Residential units have individual switches for lights inside each room. Hallways are lit 24/7 with ceiling mounted lights and signs.
 - c) Convenience outlets: There will be convenience outlets located to meet code requirements for all new construction. Kitchen, bathrooms, and outlets located outside (terraces) will have ground fault interrupt outlets.
4. Intercommunication and/or door signal systems: There will be a video intercom system, which will allow the unit owners to see their visitors before they buzz them into the building.
5. Provision for electricity supply during outages: There is no generator or provisions for electricity supply during outages.
6. Compartment switch gear boards are located within the cellar electrical room.
7. The residential unit service load from supply fan power are 0.000432 KW/CFM.
8. The commercial unit service load from the supply fan power are 0.000587 KW/CFM.

O. Ventilation

- a) Exhaust shafts will run vertically through the building serving the bathrooms and kitchens. There will be ceiling-mounted exhaust fans located at each exhaust location (toilet and kitchen). There is also an exhaust fan for each exhaust shafts (Penn Berry model# DX13S – 1/12 hp – 158 CFM – 1300 RPM, and DX16S – 1/3 hp – 606 CFM – 1300 RPM).
- b) Dwelling units will be naturally ventilated through the opening of operable windows (as per NYC Building Code). In addition, makeup air is supplied from the roof into the hallway of each floor.
- c) The gas meter room, trash room and cellar utility rooms will be provided with mechanical ventilation.
- d) All ventilation fan grilles and air handling units shall be rated at NC-35 or less.

P. Television Reception Facilities

The building will be wired for cable TV connection to be available at each unit. Each owner will obtain service from provider at the unit owner's expense. Installation of additional jacks and / or existing jacks will be the responsibility of each unit owner to obtain from the cable provider. High-speed Internet access will be available through the cable TV wiring, allowing residents to obtain service from Internet providers at unit owner's expense.

Q. Public Area Lighting:

Cellar public area and egress stair core lighting will be fluorescent. Emergency battery ballasts will be installed at fluorescent fixtures to meet Code requirements. The First Floor exterior lighting will be LED. Public Corridor lighting on Third Floor through Twelfth Floor will be LED. Emergency battery ballasts will be installed at fluorescent fixtures to meet Code requirements. Exterior lighting at Third Floor Recreation Area will be LED. Exterior lighting at private terraces will be LED.

R. Parking Area: None

S. Swimming Pool: Unit 11B will have a 25' long x 8' wide x 4' deep private pool on the South private terrace of the Twelfth Floor. The pool will consist of a stainless steel shell with CMU backup and EIFS on all sides. A sealed circulation 1HP Pent Air system will be used for pumping with a 300 SF cartridge style filter. Heating will be provided by a Lochinvar Energy Right 300 direct gas fired heater. The 12" concrete slab to support to the pool has been designed by a licensed structural engineer.

T. Fitness Room: The fitness room is located on the first floor at the south end of the building. Equipment that will be provided in the fitness room shall include, but is not limited to, dumbbells for weight lifting and a few exercise machines.

U. Permits and Certifications

The following permits are required:

1. New York City Department of Buildings (DOB): Approval of Architectural, Structural, Mechanical, Plumbing, Sprinkler/Standpipe and Builders Pavement Plan.
2. Fire Department of New York (FDNY): Approval of fire alarm system and sprinklers.
3. New York City Department of Environmental Protection (DEP): Approval of SD1/2 site connection.
4. New York City Department of Parks and Recreation (DPR): Approval of Forestry Plan.

Duration of approval of each permit varies from 5 months to 12 months.

The following inspections are included, as part of the DOB required items list:

1. Concrete Sampling and Testing (TR2)
2. Concrete Design Mix (TR3)
3. Soils – Investigations (Borings & Test Pits) (TR4)
4. Soil Percolation Test - Drywell
5. Energy Code Compliance
6. Protection of Exposed Foundation Insulation
7. Insulation Placement & R Values
8. Fenestration U-Factor & Product Rating
9. Fenestration Air Leakage
10. Fenestration Areas
11. Air Sealing and Insulation – Visual
12. Air Sealing and Insulation – Testing
13. Smoke Control Systems
14. Shutoff Dampers
15. HVAC & Service Water Heating Equipment
16. HVAC & Service Water Heating System Controls
17. HVAC Insulation and Sealing
18. Electrical Metering
19. Lighting in Dwelling Units
20. Interior Lighting Power
21. Exterior Lighting Power

22. Lighting Controls
23. Exit Signs
24. Maintenance Information
25. Permanent Certificate
26. Sprayed Fire-Resistant Materials
27. Exterior Insulation and Finish Systems (EIFS)
28. Concrete-Cast-in-Place
29. Masonry
30. Subgrade Inspection
31. Underpinning
32. Mechanical Systems
33. Excavations -Sheeting, Shoring and Bracing
34. Sprinkler Systems
35. Fire-Resistant Penetration and Joints (Firestop)
36. Footing and Foundation Inspection
37. Fire-Resistive Rated Construction
38. Certificate of Occupancy
39. Site Survey: Final
40. Builders Pavement Plan (BPP): Final Signoff
41. As-Built Energy Analysis (EN2)
42. Final Plumbing Signoff
43. Final Electrical Signoff
44. Final Construction Signoff
45. Verify Tax Lot
46. Co Objection: Verify Address-Topo Stamp
47. Violations Search
48. Open Applications Search
49. Folder Review

After the building is in operation there are not recurring inspections that need to be done.

1. Elevator Inspection – every 1, 3 & 5 years.

V. Violations

There are no Department of Buildings and no ECB violations active on the premises. Any DOB or ECB violations will be resolved during construction and prior to the issuance of the Certificate of Occupancy (C of O).

W. Unit Information

Each unit includes the following finishes and fixtures. It is a complete new building, with entirely new mechanical, electrical, plumbing and general construction materials. All fixtures and appliances may be substituted with an equivalent or better model at the discretion of the sponsor.

1. Finish Schedule for Units (All new finishes)

Room	Floor	Walls	Ceiling	Counter Top
Living/Dining	WD	PT	PT	N/A
Kitchen	WD	PT	PT	GRT MBL
Bedrooms	WD	PT	PT	N/A
Standard Bath	PT	PT	PT	MBL

2. Residential Kitchen Equipment:

- Refrigerator: 30" Bosch Built-In B301B00 Custom Panel Bottom-Freezer, or equivalent
- Range: 30" Kitchen Aid KSGG700ESS Slide-In Gas Range Stainless Steel or equivalent
- Range Hood: 30" Bosch HUI50351UC Pull out Hood Stainless Steel or equivalent
- Dishwasher: 24" Bosch SHV4ATB3UC Fully Integrated Dishwasher with Custom Panel or equivalent
- Kitchen counter tops
AGATHA BLACK GRANITE or Similar Stone 1 ¼" thick square edge.
- Kitchen cabinets – white kitchen cabinetry with modern edge detailing.
NEW YORK ARCTIC SILKY MATT.

3. Plumbing fixtures and Finishes:

- Kitchen-All.
 - Sink: Zero Radius Undermount, Stainless Steel or equivalent
 - Sink Faucet: Aquabraxs 6145N Ginger Pull Out Chrome or equivalent
- Bathrooms:
 - Guest Bath and Master Bath with Tub
 - Vanity and Sink: Mirabelle MIRU1713WH Undermount Bathroom

- Sink White, or equivalent
- ii. Vanity Sink Faucet: Aquabraxs 68016 Blade Polished Chrome, or equivalent
- iii. Toilet: Toto CST794DSF Closed Coupled 12" Rough or equivalent
- iv. Tub: MAAX 101456 Pose 6030, 2" deck White, or equivalent
- v. Tub Spout: Aquabraxs 10132 round non-diverter Polished Chrome, or equivalent
- vi. Showerhead: Aquabraxs 2108 Rainhead Polished Chrome, or equivalent
- vii. Shower arm: Aquabraxs 8102 round and flange Polished Chrome, or equivalent
- viii. Tub and Shower Trim: Aquabraxs R3286 Blade or equivalent

2. Master Bath with shower

- i. Single or Double Vanity and Sink: Mirabelle MIRU1713WH Undermount Bathroom Sink White, or equivalent
- ii. Vanity Sink Faucet: Aquabraxs 68016 Blade Polished Chrome, or equivalent
- iii. Toilet: Toto CST794DSF Closed Coupled 12" Rough, or equivalent
- iv. Showerhead: Aquabraxs 2108 Rainhead Polished Chrome, or equivalent
- v. Shower arm: Aquabraxs 8102 round and flange Polished Chrome, or equivalent
- vi. Handshower: Standing Shower: Aquabraxs 85373 Round Polished Chrome or equivalent
- vii. Handshower Hose Standing Shower: Aquabraxs 136 reinforced PVC Polished Chrome, or equivalent
- viii. Handshower Outlet and Control Standing Shower: Aquabraxs 1417 Waterway with Hook Polished Chrome, or equivalent
- ix. Tub and Shower Trim: Aquabraxs Blade R3286, or equivalent

4. Living Areas:

- a) Floors: 4" Side White Oak, or equivalent
- b) Millwork: Dykles Lumber 633 Primed MDF, or equivalent
- c) Ceilings: Sheetrock, Benjamin Moore OC-63 Winter Snow Flat Finish, or equivalent

5. Residential Laundry Equipment:

- a) Washer: none (hookup provided)
- b) Dryer: none (hookup provided)

X. Public Space Finishes

Finish Schedule for Public Areas (All new finishes)

Room	Floor	Walls	Base	Ceiling
Lobby	CT	VL	WD	PT
Corridor	CPT	VL	WD	PT
Stairs (egress)	CONC	CONC	WD	PT
Gym	RBR	PT	WD	PT
Gym powder	CT	CT PT	CT	PT

Y. Abbreviations for Finishes:

CPT	Carpet	SN	Stone
CT	Ceramic Tile	ST	Stone Tile
CONC	Concrete	TZ	Terrazzo
GRT	Granite	TC	Tin Ceiling
GWB	Gypsum Wall Board	VL	Vinyl
MBL	Marble	WT	Wainscot
Oak HW	Oak Hard Wood	WD	Wood
PT	Paint		
PCT	Porcelain Tile		
QT	Quarry Tile		
QZ	Quartz		
SS	Stainless Steel		

Z. Fire Protection System

1. See Section "J" paragraphs 2 for sprinkler information.
2. Each apartment will contain a hard wired CMB / carbon monoxide smoke detector in the vicinity of the bedrooms & within each bedroom as per the New York City Building Code.
3. There will also be SD/CO detectors in the building common area, gas room, hot water heater room and electrical room.
4. The FACP is located in the first floor lobby and is connected to the central office transmitter to the 24hr central monitoring station via digital transmitter.

AA. Description of Units

Each residential unit will consist of the area measured horizontally from the exterior face of exterior walls to the exterior face of partitions separating one unit from common spaces. In addition the area of each unit will be measured horizontally from the centerline of partitions separating one unit from another unit. Each unit will consist of the area measured vertically from the top of the floor to the underside of the ceiling.

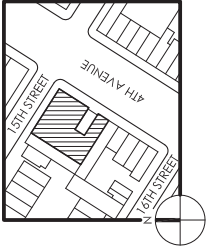
BB. Local Law 10/80 Report: Inspection required every 5 years.

CC. Local Law 11/98 Report – Façade Evaluation: Inspection required every 5 years.

DD. Local Law Handicapped Accessibility: Kitchens and kitchenettes are designed to be in compliance with Sections 804 and 1003.12 of ICC A1117.1 and Sections 1107.2.3.1 – 1107.2.3.4 of the NYC Building Code. Bathrooms are in compliance with NYC Building Code, Appendix P.

554 4TH AVE , BROOKLYN NY

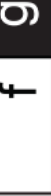
SITE PLAN



CONDOMINIUM NO.
554 4TH AVE
ADDRESS: 554 4TH AVE
BROOKLYN, NEW YORK 11215

554 4TH AVE				
UNIT	TAX LOT	UNIT	TAX LOT	
COMM UNIT "A" 2,173 SF		7A, 698 SF 1BED, 1BATH		7TH FL (PARTIAL - SEE PLAN)
COMM UNIT "B" 2,510 SF		7B, 661 SF 1BED, 1BATH		7TH FL (PARTIAL - SEE PLAN)
COMM UNIT "C" 816 SF		7C, 733 SF 1BED, 1BATH		7TH FL (PARTIAL - SEE PLAN)
3A, 698 SF 1BED, 1BATH		7D, 699 SF 1BED, 1BATH		7TH FL (PARTIAL - SEE PLAN)
3B, 661 SF 1BED, 1BATH		7E, 726 SF 1BED, 1BATH		7TH FL (PARTIAL - SEE PLAN)
3C, 799 SF 1BED, 1BATH		8A, 698 SF 1BED, 1BATH		8TH FL (PARTIAL - SEE PLAN)
3D, 824 SF 1BED, 1BATH		8B, 661 SF 1BED, 1BATH		8TH FL (PARTIAL - SEE PLAN)
3E, 643 SF 1BED, 1BATH		8C, 721 SF 1BED, 1BATH		8TH FL (PARTIAL - SEE PLAN)
4A, 698 SF 1BED, 1BATH		8D, 728 SF 1BED, 1BATH		8TH FL (PARTIAL - SEE PLAN)
4B, 661 SF 1BED, 1BATH		8E, 726 SF 1BED, 1BATH		8TH FL (PARTIAL - SEE PLAN)
4C, 721 SF 1BED, 1BATH		9A, 698 SF 1BED, 1BATH		9TH FL (PARTIAL - SEE PLAN)
4D, 728 SF 1BED, 1BATH		9B, 661 SF 1BED, 1BATH		9TH FL (PARTIAL - SEE PLAN)
4E, 726 SF 1BED, 1BATH		9C, 733 SF 1BED, 1BATH		9TH FL (PARTIAL - SEE PLAN)
5A, 698 SF 1BED, 1BATH		9D, 699 SF 1BED, 1BATH		9TH FL (PARTIAL - SEE PLAN)
5B, 661 SF 1BED, 1BATH		9E, 726 SF 1BED, 1BATH		9TH FL (PARTIAL - SEE PLAN)
5C, 733 SF 1BED, 1BATH		10A, 1,046 SF 2BED, 2BATH		10TH FL (PARTIAL - SEE PLAN)
5D, 699 SF 1BED, 1BATH		10B, 1,043 SF 2BED, 2BATH		10TH FL (PARTIAL - SEE PLAN)
5E, 726 SF 1BED, 1BATH		10C, 1,017 SF 2BED, 2BATH		10TH FL (PARTIAL - SEE PLAN)
6A, 698 SF 1BED, 1BATH		11A, 1,085 SF 2BED, 2BATH		11TH FL (PARTIAL - SEE PLAN)
6B, 661 SF 1BED, 1BATH		11B, 4,480 SF 5BED, 4BATH		11TH/12TH FL (PARTIAL - SEE PLAN)
6C, 721 SF 1BED, 1BATH				
6D, 728 SF 1BED, 1BATH				
6E, 726 SF 1BED, 1BATH				

feingold & gregory - architects
118 west 83rd street - new york, NY 10024
tel. (212) 595-6895 fax. (212) 787-8992



554 4TH AVE, BROOKLYN NY

CONDOMINIUM PLAN CERTIFICATION

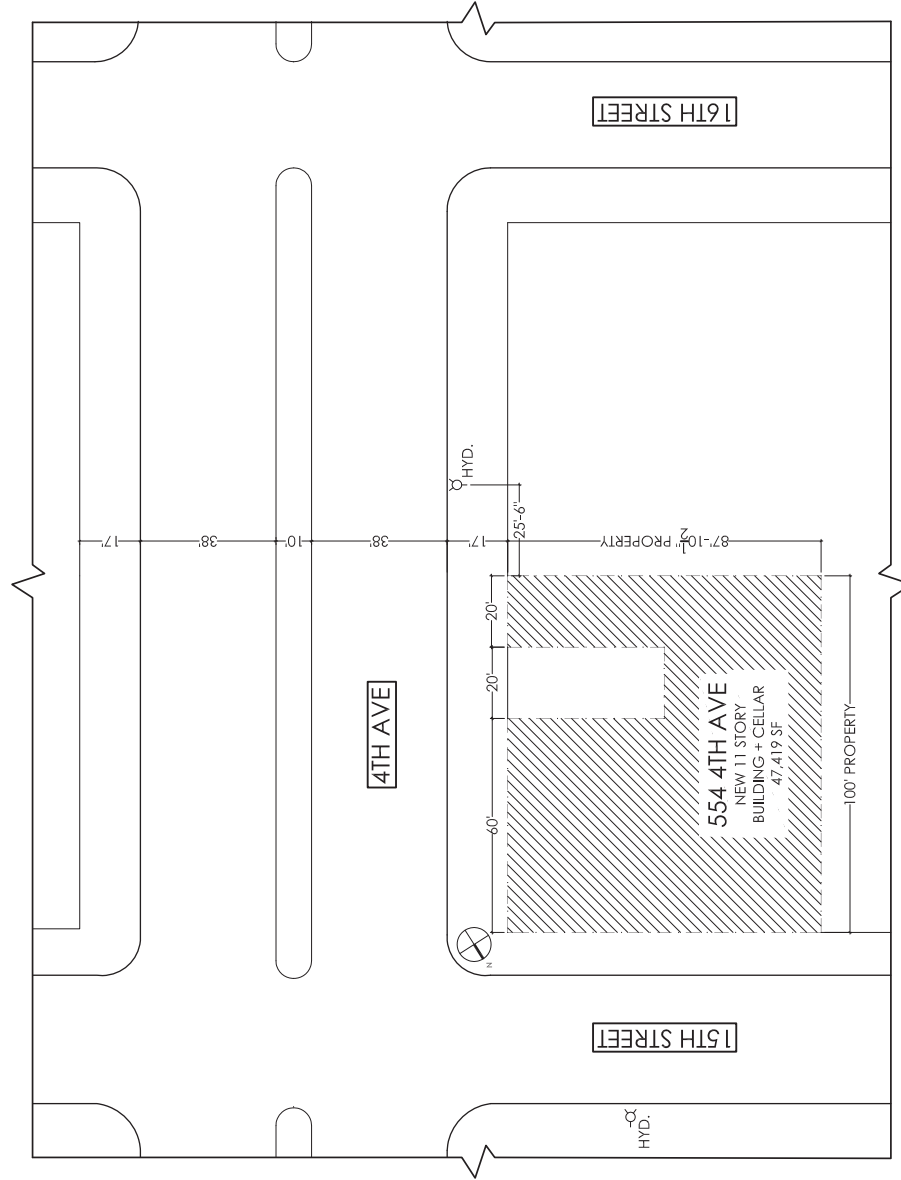
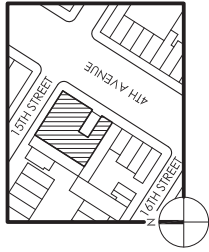
THE TAX MAP UNIT OF NEW YORK CERTIFIES THAT:

(A) THE ANNEXED FLOOR PLANS CONSISTING OF FORTY FIVE PAGES COVERING CELLAR, ELEVEN FLOORS AND ROOF PREMISES KNOW AS:

554 4TH STREET
ADDRESS: 554 4TH AVE
BROOKLYN, NEW YORK 11215

B) THE LOT DESIGNATIONS FOR THE SEPARATE UNIT SHOWN THEREON CONFORM TO THE OFFICIAL TAX LOT NUMBER DESIGNATIONS FOR SUCH UNIT AS SHOWN ON THE BLOCK MAP OF TAXES AND ASSESSMENTS OF THE CITY OF NEW YORK BOROUGH OF MANHATTAN.

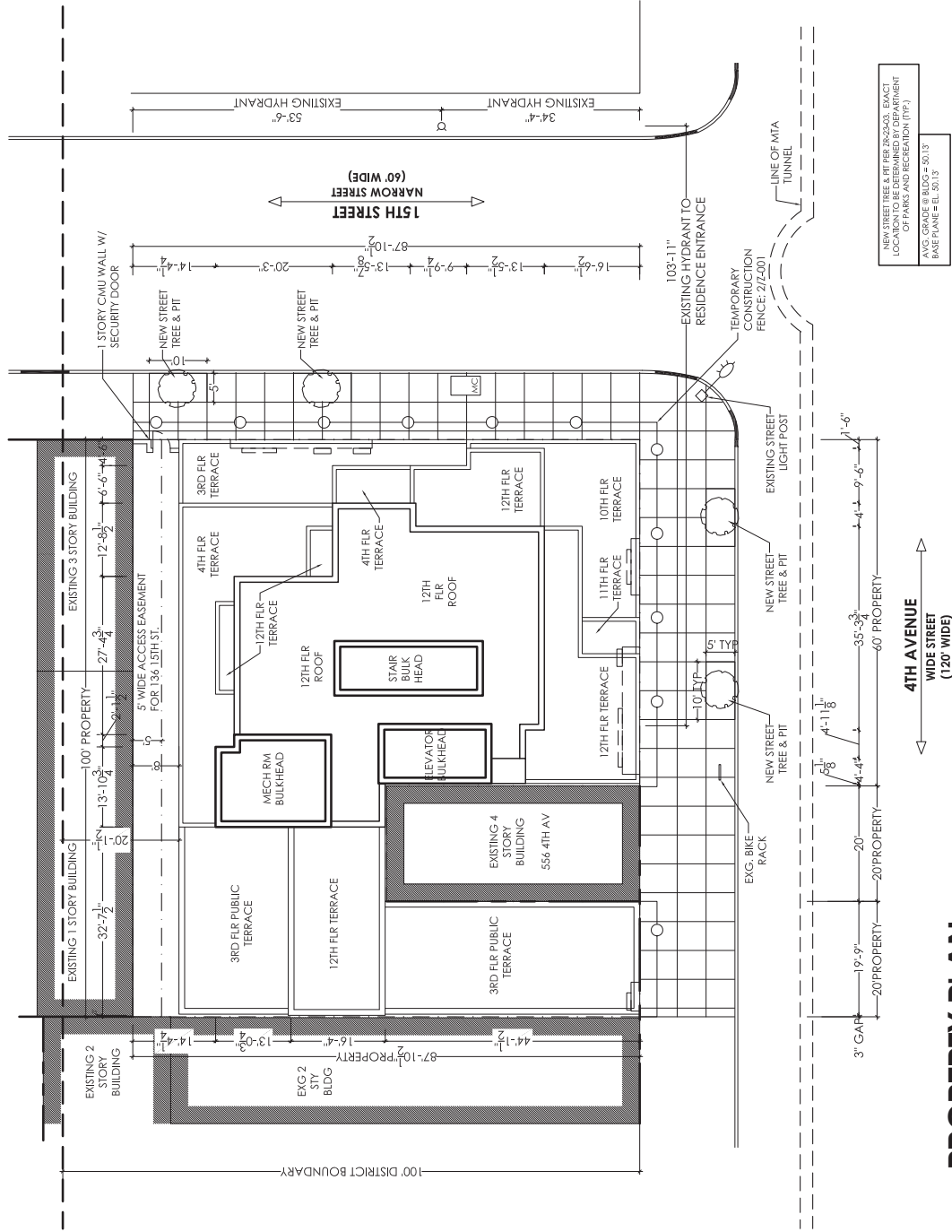
SITE PLAN



PLOT PLAN

SCALE: NTS

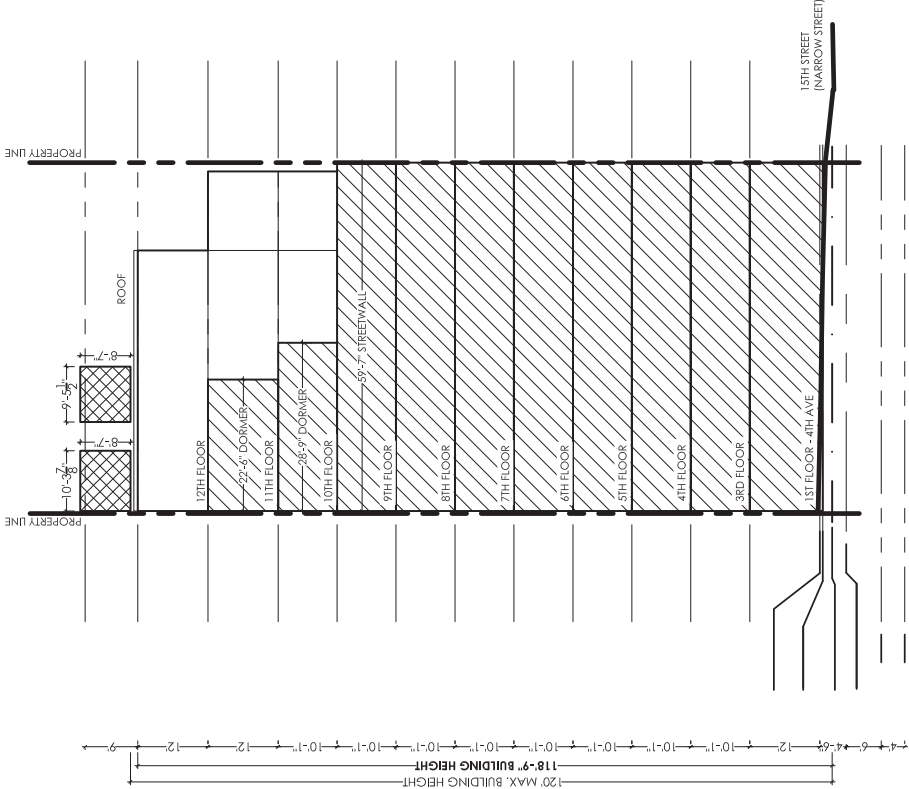
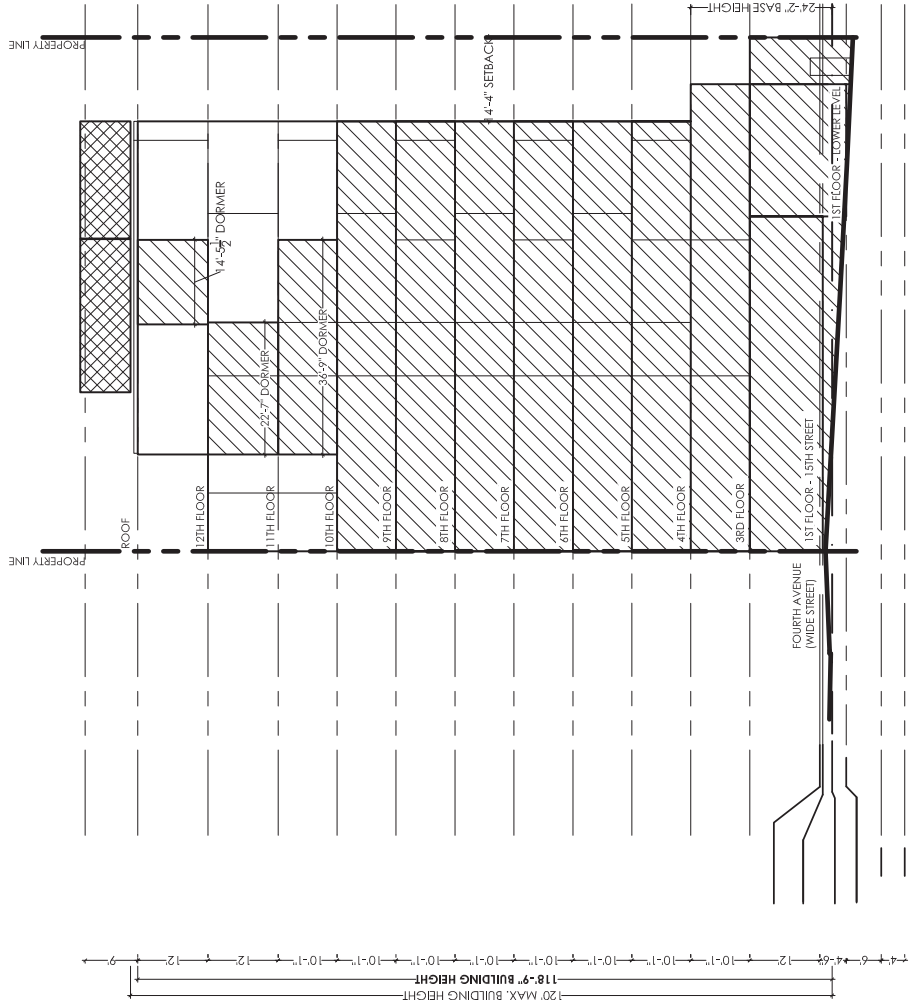
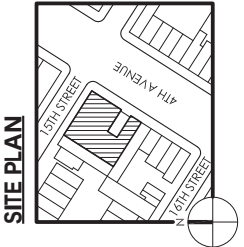
SITE PLAN



SCALE: NTS

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554 4TH AVE, BROOKLYN NY



BUILDING SECTION- SCHEMATIC

SCALE: NTS

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

THE APPROXIMATE FLOOR AREA OF EACH UNIT HAS BEEN MEASURED FROM THE EXTERIOR FACE OF THE EXTERIOR WALLS AND OR PROPERTY LINE TO THE MIDPOINT OF THE INTERIOR PARTITIONS SEPARATING A UNIT FROM ANOTHER UNIT.

MEASURED VERTICALLY, EACH UNIT CONSISTS OF THE VOLUME FROM THE TOP OF THE FLOOR SLAB (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS TO THE UNDERSIDE OF THE FLOOR SLAB ABOVE

COMMERCIAL UNIT "B" STORAGE
611 TOTAL SQUARE FEET

The floor plan includes the following areas and dimensions:

- ELEVATOR CONTROL RM:** 8'-5" x 11'-9"
- DEAD SPACE:** 3'-7" x 3'-3"
- TV/DATA:** 7'-4" x 5'
- GAS METER RM:** 5'-4" x 21'-7"
- BICYCLE STORAGE:** 21'-7" x 14'-8"
- ELECTRIC RM:** 20'-10" x 16'
- WATER PUMP RM:** 27'-3" x 11'-2"
- TRASH COMPACTOR RM:** 25'-7" x 12'-10"

Other dimensions shown include 18'-1", 29'-10", 13'-2", 3'-8", 3'-8", 5'-5", 29'-6", 16'-5", 8'-3", 4'-9", 5'-1", 9'-8", 11'-2", and 2'-2".

SCALE: 1/16" = 1'-0"

COMMON AREA
RESIDENTIAL
UNIT EXTENTS
LIMITED COMMON AREA
COMMERCIAL

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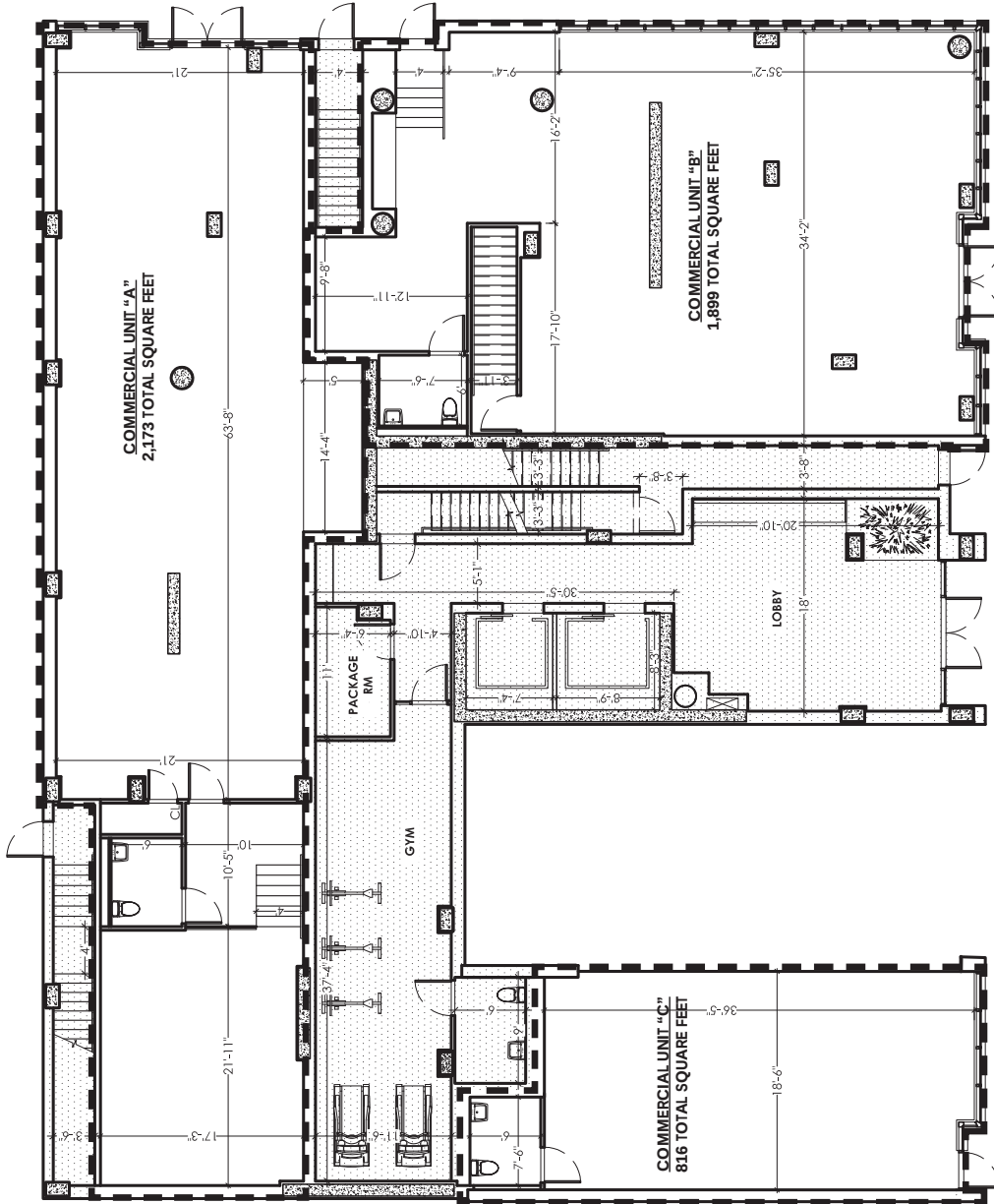
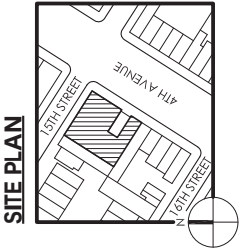
554 4TH AVE, BROOKLYN NY	
GROUND	TAX LOT xxxx
COMMERCIAL AREA	4,888 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	1,861 SF
TOTAL	6,749 SF

DIMENSIONS OF THE UNITS

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GROUND

SCALE: 1/16" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS

DIMENSIONS OF THE UNITS

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DIMENSIONS OF THE UNITS

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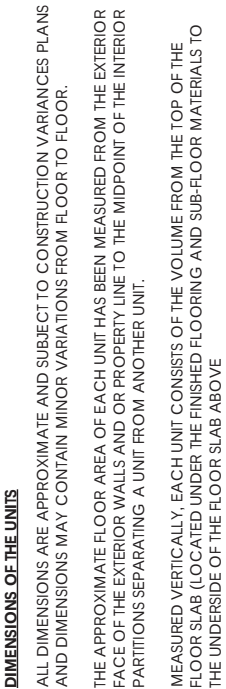
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SCALE: 1/16" = 1'-0"

SCALE: 1/16" = 1'-0"

 COMMON AREA
 LIMITED COMMON AREA
 COMMON AREA
 LIMITED COMMON AREA
 RESIDENTIAL
 COMMERCIAL
 20' PROPERTY



5	4
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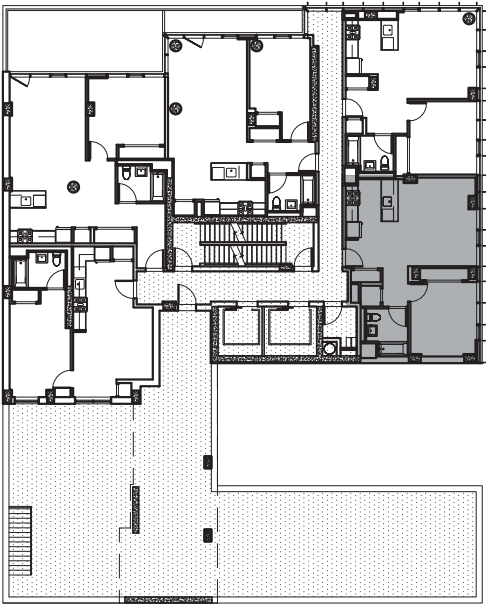
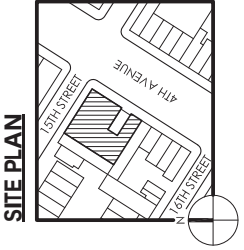
554 4TH AVE, BROOKLYN NY	
UNIT 3A - 1 BED, 1 BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	2,833 SF
TOTAL	3,531 SF

DIMENSIONS OF THE UNITS

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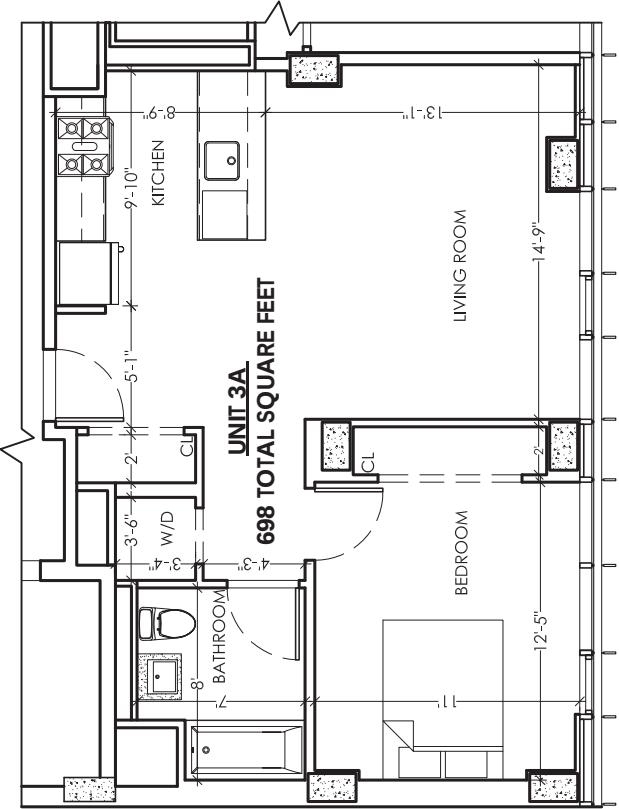
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3RD FLOOR PLAN KEY SCALE: 1/32" = 1'-0"

UNIT 3A SCALE: 1/8" = 1'-0"



LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

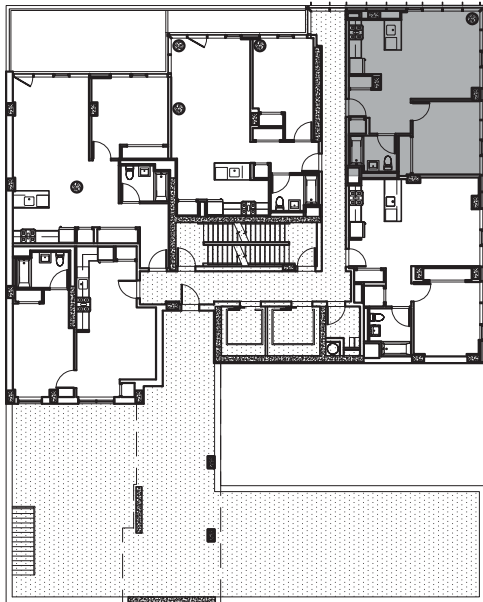
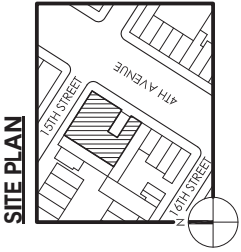
554 4TH AVE, BROOKLYN NY	
UNIT 3B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	2,833 SF
TOTAL	3,494 SF

DIMENSIONS OF THE UNITS

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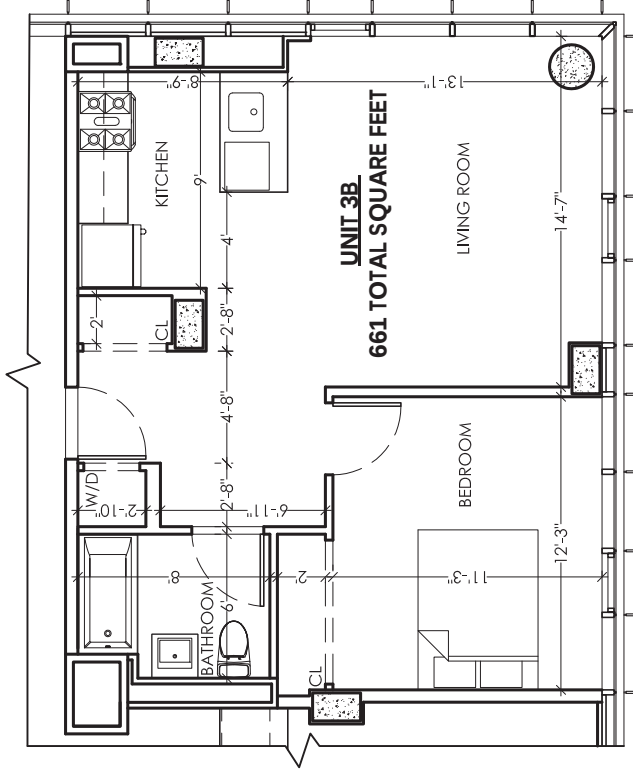
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3RD FLOOR PLAN KEY SCALE: 1/32" = 1'-0"

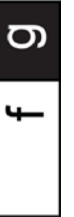
LEGEND

COMMON AREA
LIMITED COMMON AREA
RESIDENTIAL
UNIT EXTENTS
COMMERCIAL



UNIT 3B SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



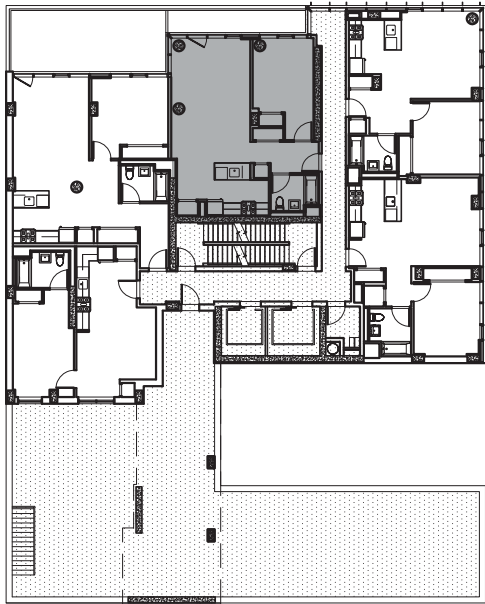
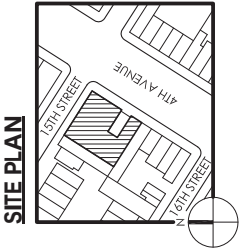
554 4TH AVE, BROOKLYN NY	
UNIT 3C - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	799 SF
LIMITED COMMON ELEMENTS	105 SF
GENERAL COMMON ELEMENTS	2,833 SF
TOTAL	3,737 SF

DIMENSIONS OF THE UNITS

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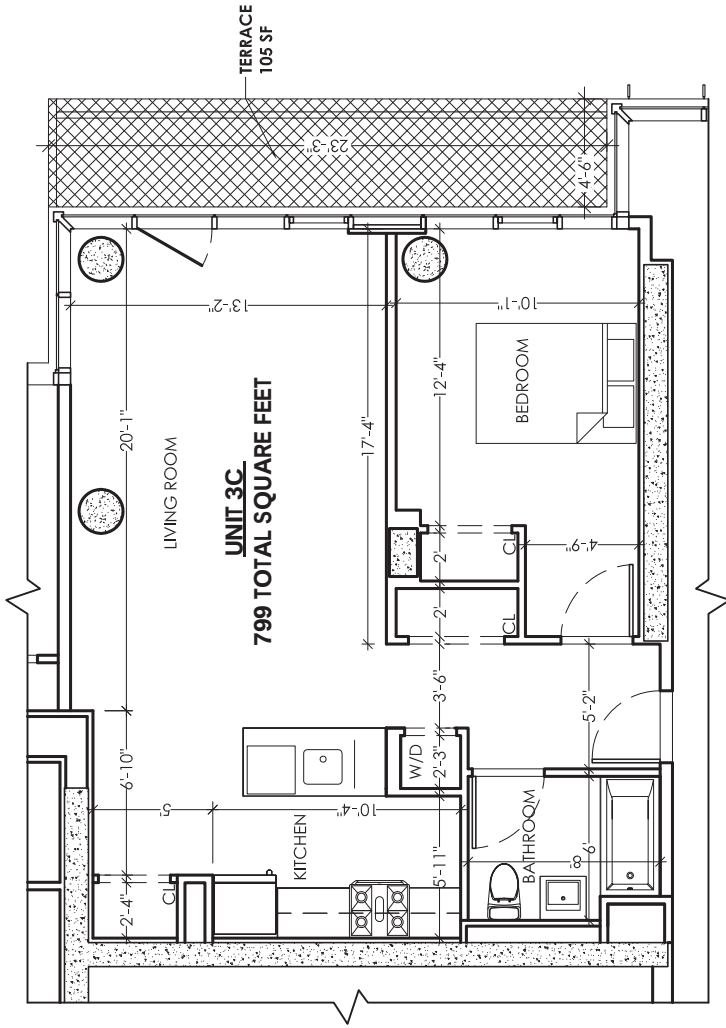


3RD FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL



UNIT 3C

SCALE: 1/8" = 1'-0"

554 4TH AVE, BROOKLYN NY	
UNIT 3E - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	643 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	2,833 SF
TOTAL	3,476 SF

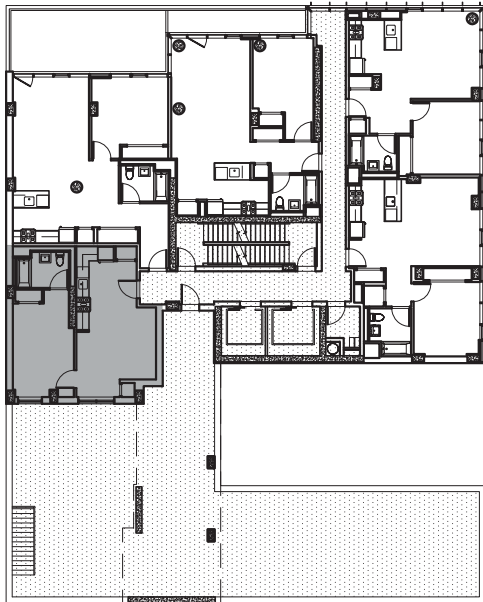
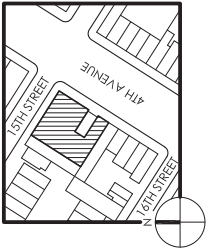
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SITE PLAN

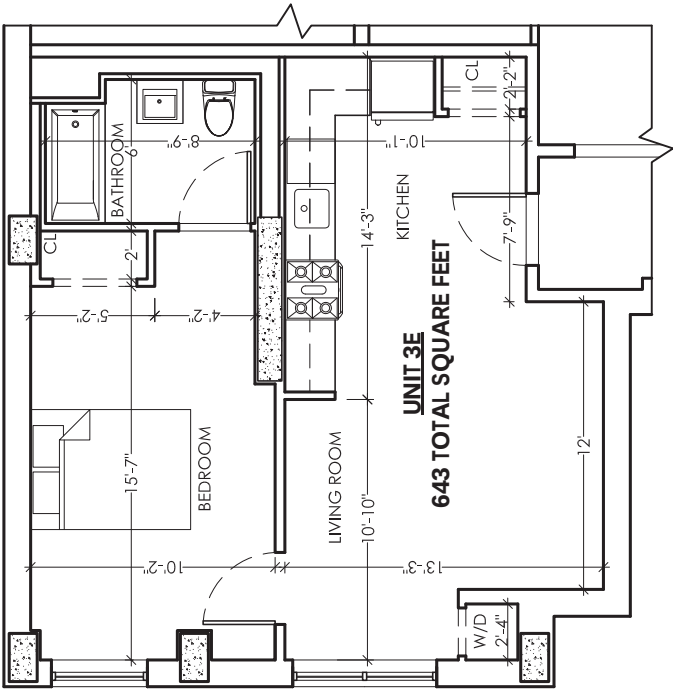


3RD FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL



UNIT 3E

SCALE: 1/8" = 1'-0"

554 4TH AVE, BROOKLYN NY	
UNIT 4A - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,474 SF

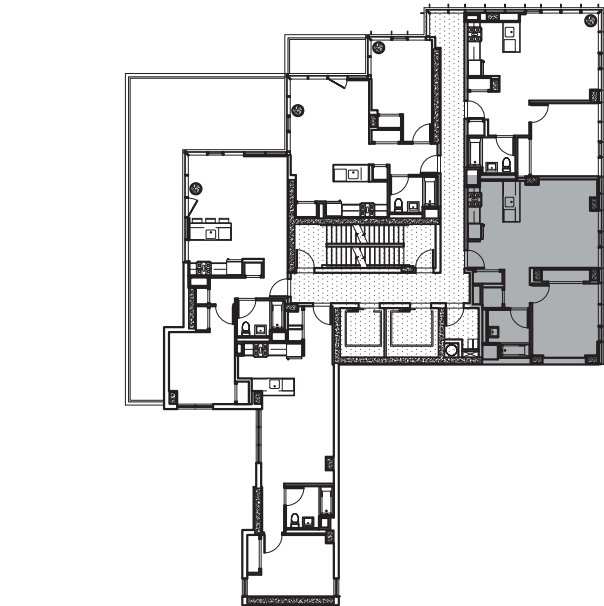
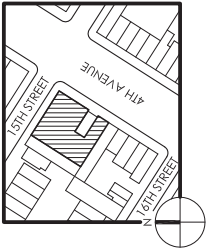
DIMENSIONS OF THE UNITS

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THE APPROXIMATE FLOOR AREA OF EACH UNIT HAS BEEN MEASURED FROM THE EXTERIOR FACE OF THE EXTERIOR WALLS AND OR PROPERTY LINE TO THE MIDPOINT OF THE INTERIOR PARTITIONS SEPARATING A UNIT FROM ANOTHER UNIT.

MEASURED VERTICALLY, EACH UNIT CONSISTS OF THE VOLUME FROM THE TOP OF THE FLOOR SLAB (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS TO THE UNDERSIDE OF THE FLOOR SLAB ABOVE

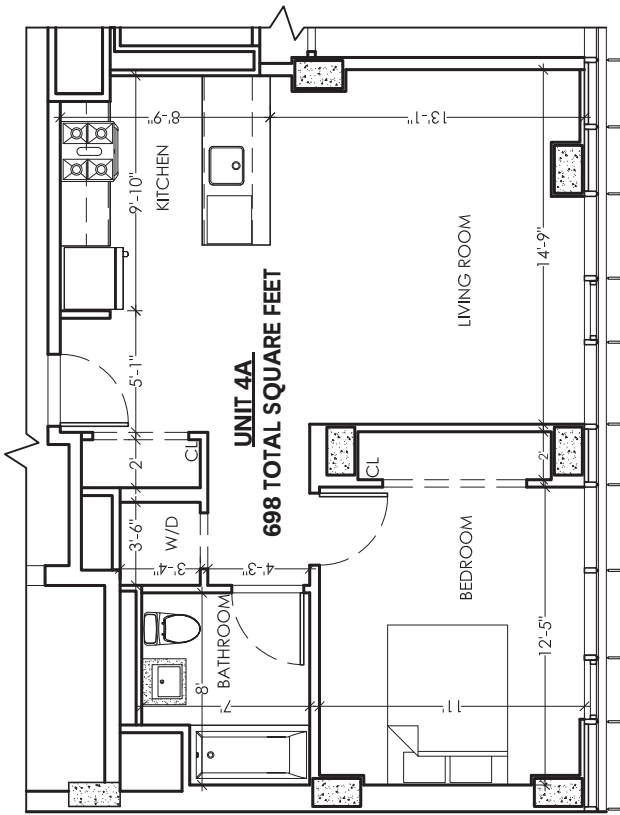
SITE PLAN



4TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

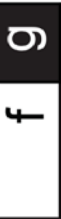
LEGEND



UNIT 4A

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



554 4TH AVE, BROOKLYN NY	
UNIT 4B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,437 SF

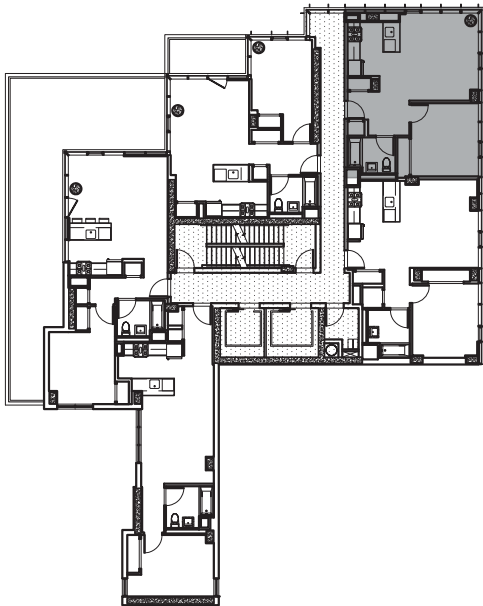
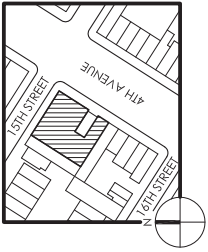
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SITE PLAN

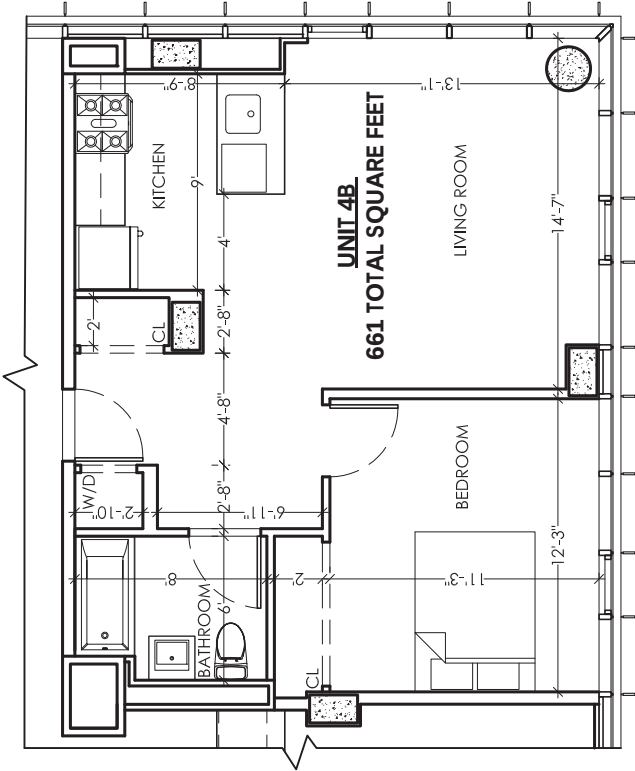


SCALE: 1/32" = 1'-0"

4TH FLOOR PLAN KEY

LEGEND

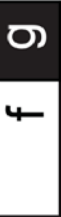
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL



SCALE: 1/8" = 1'-0"

UNIT 4B

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



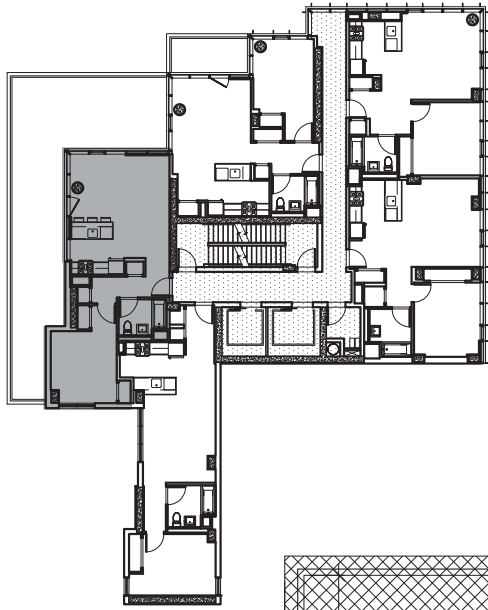
DIMENSIONS OF THE UNITS

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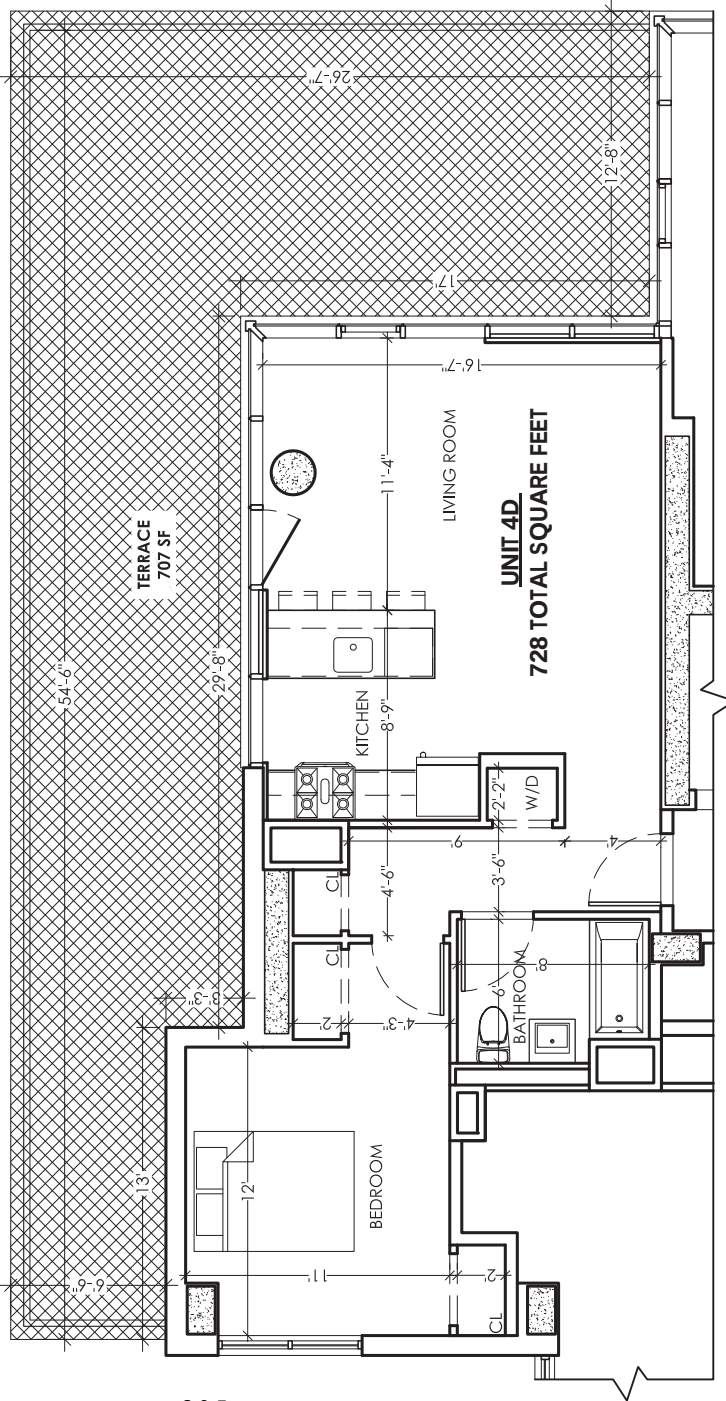
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554 4TH AVE, BROOKLYN NY	
UNIT 4D - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	728 SF
LIMITED COMMON ELEMENTS	707 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	2,211 SF



SCALE: 1/32" = 1'-0"



SCALE: 1/8" = 1'-0"

COMMON AREA

LIMITED COMMON AREA

RESIDENTIAL

UNIT EXTENTS

COMMERCIAL

g	f
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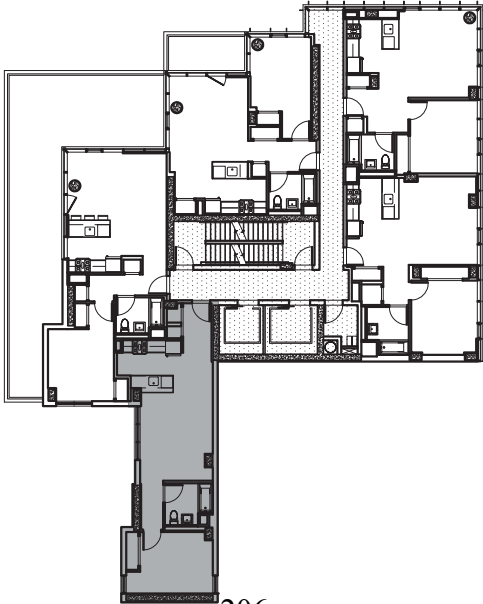
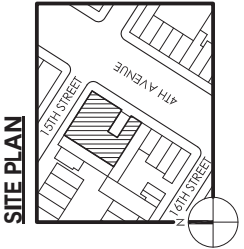
554 4TH AVE, BROOKLYN NY		
UNIT 4E - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA	726 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,502 SF	

DIMENSIONS OF THE UNITS

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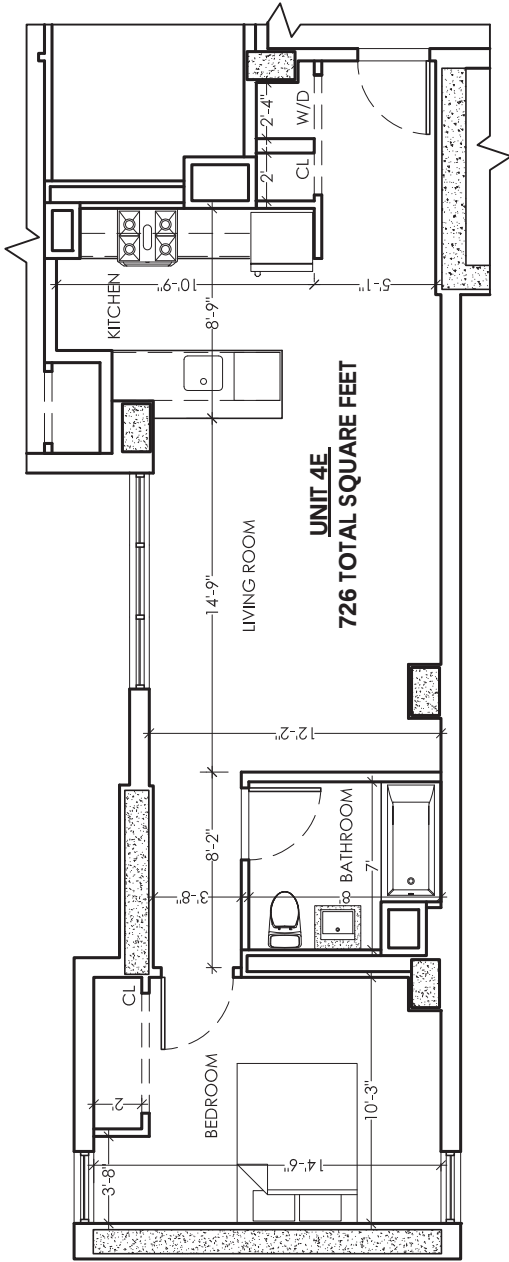
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4TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

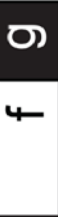
LEGEND



UNIT 4E

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



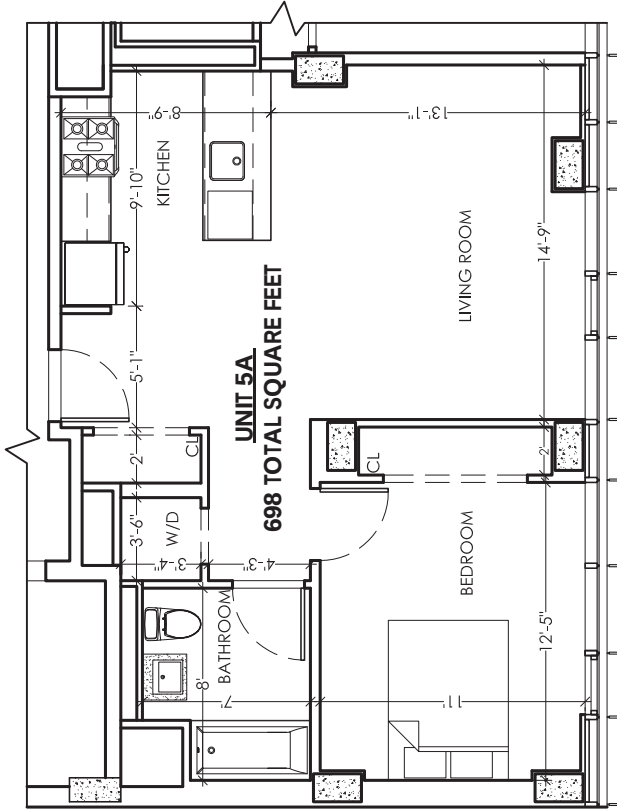
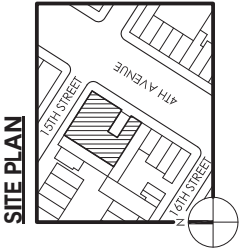
554 4TH AVE, BROOKLYN NY	
UNIT 5A - 1 BED, 1 BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,474 SF

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

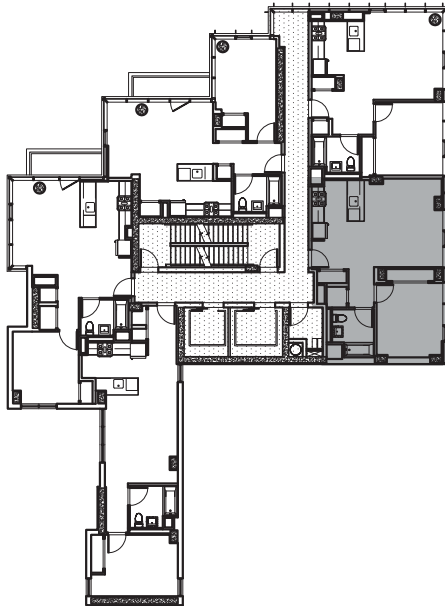
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UNIT 5A

SCALE: 1/8" = 1'-0"



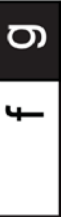
5TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

	COMMON AREA		RESIDENTIAL		COMMERCIAL
	LIMITED COMMON AREA		UNIT EXTENTS		

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8962



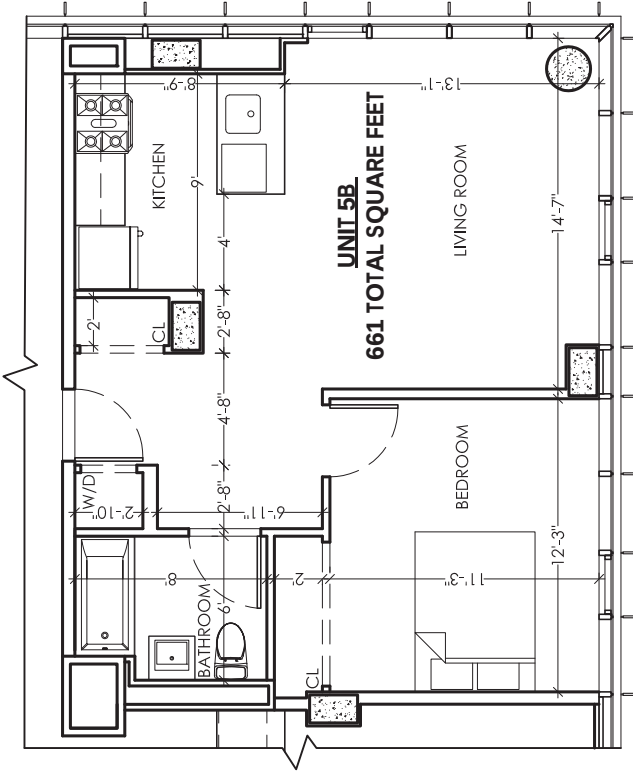
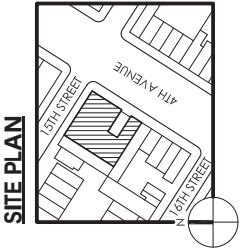
554 4TH AVE, BROOKLYN NY	
UNIT 5B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,437 SF

DIMENSIONS OF THE UNITS

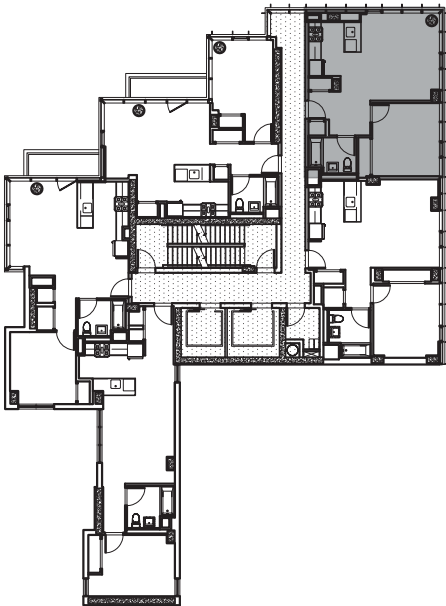
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UNIT 5B
SCALE: 1/8" = 1'-0"



5TH FLOOR PLAN KEY
SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

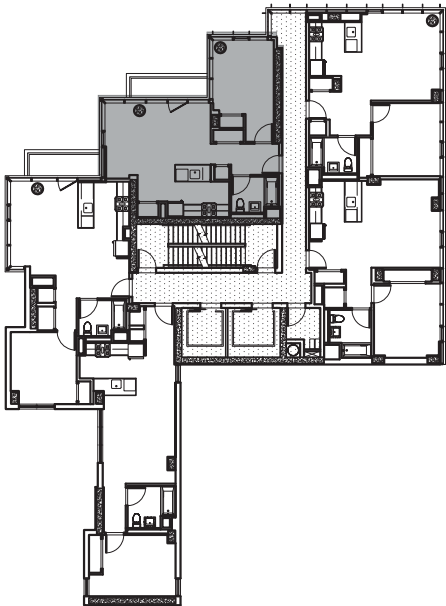
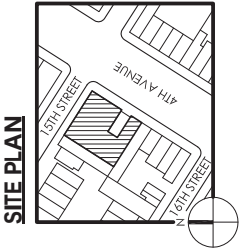
554 4TH AVE, BROOKLYN NY		
UNIT 5C - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA	733 SF	
LIMITED COMMON ELEMENTS	54 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,563 SF	

DIMENSIONS OF THE UNITS

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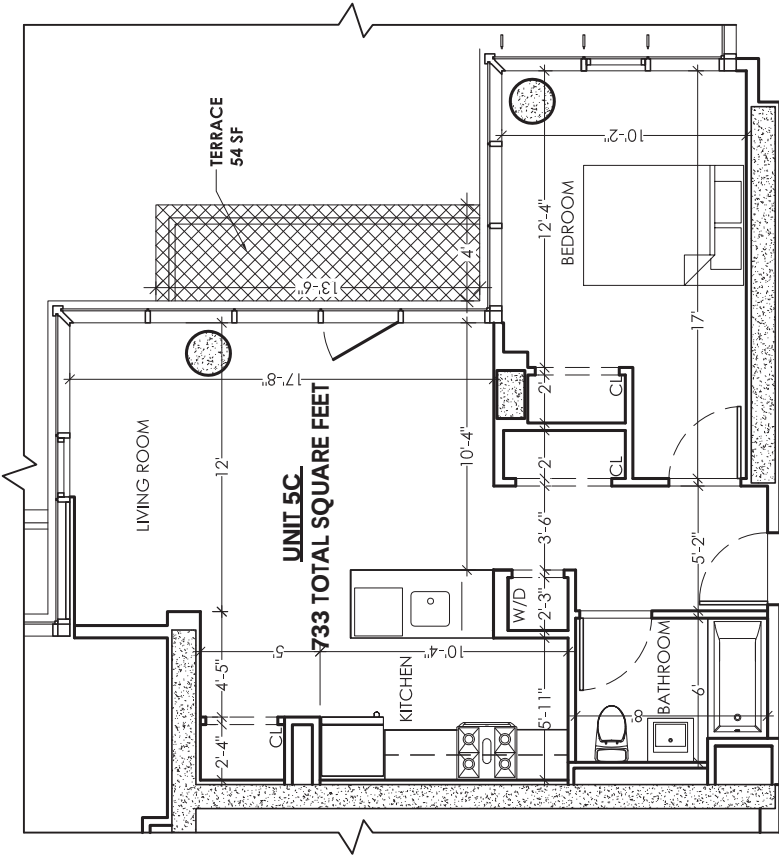


5TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

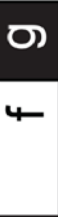
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL



UNIT 5C

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



DIMENSIONS OF THE UNITS

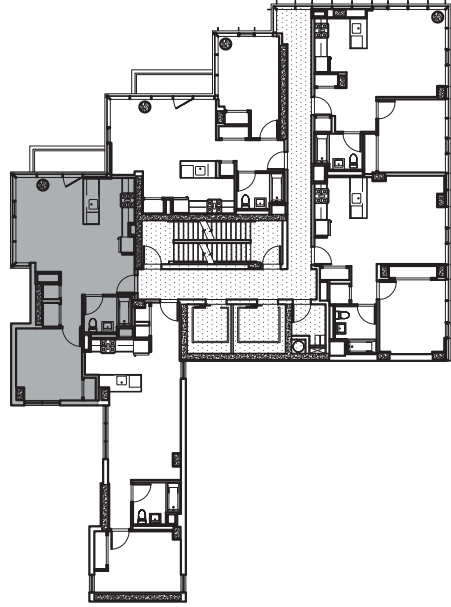
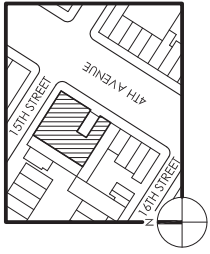
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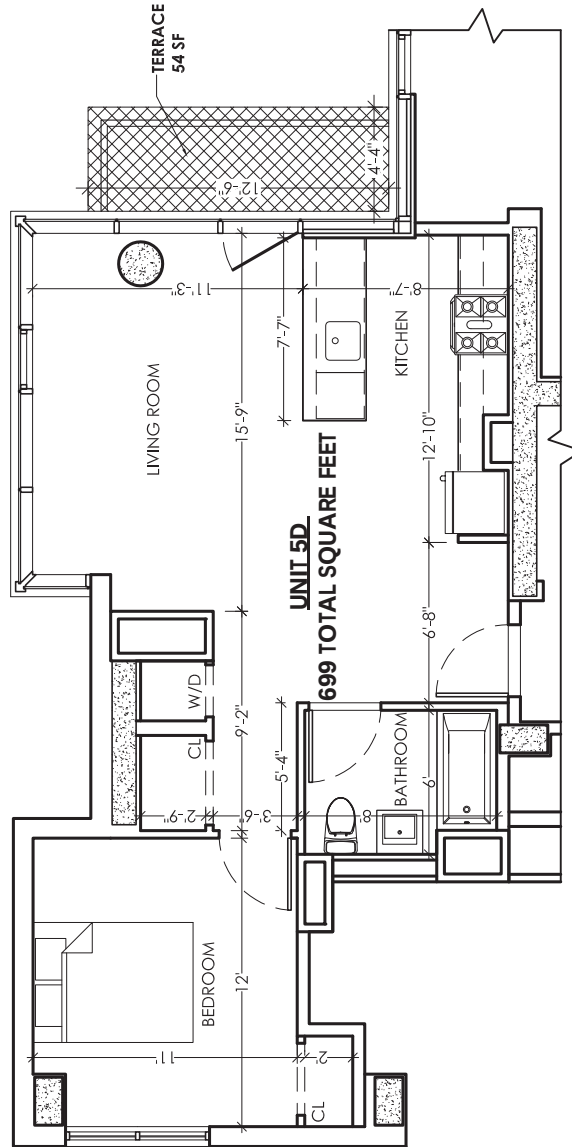
554 4TH AVE, BROOKLYN NY	
UNIT 5D - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	699 SF
LIMITED COMMON ELEMENTS	54 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,529 SF

SITE PLAN



5TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"



UNIT 5D

SCALE: 1/8" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS

554 4TH AVE, BROOKLYN NY		
UNIT 5E - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA	726 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,502 SF	

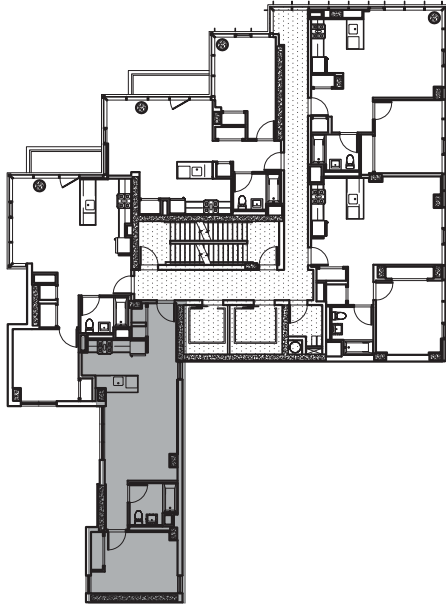
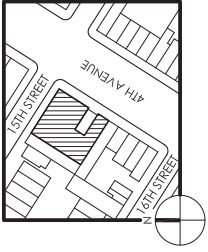
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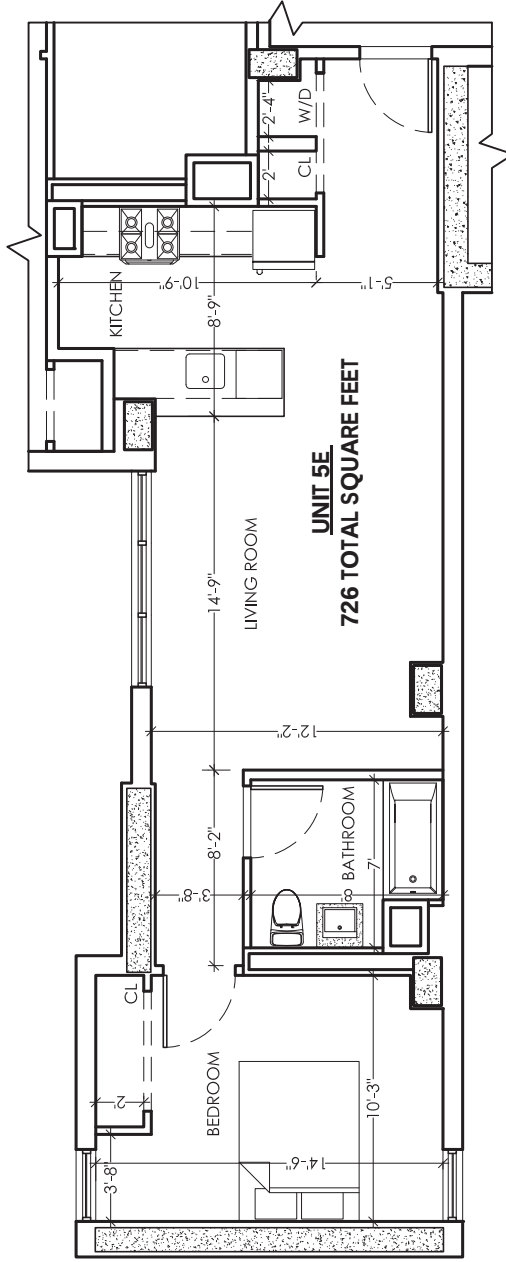
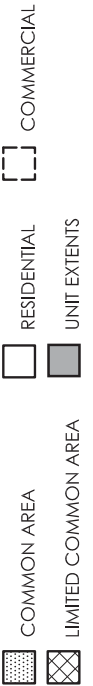
SITE PLAN



5TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND



UNIT 5E

SCALE: 1/8" = 1'-0"

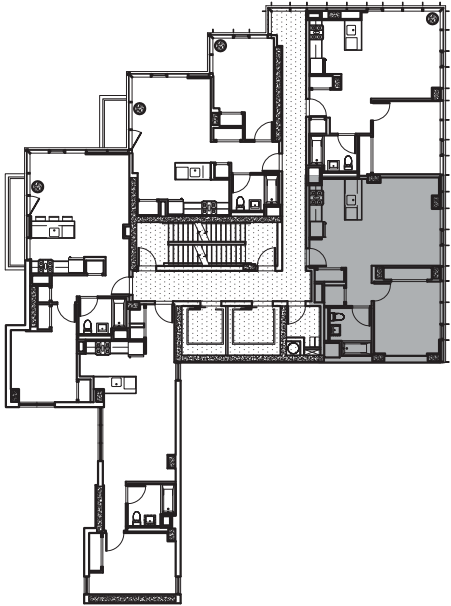
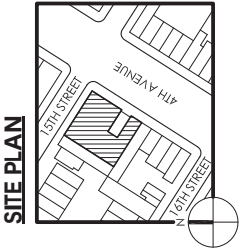
554 4TH AVE, BROOKLYN NY	
UNIT 6A - 1 BED, 1 BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,474 SF

DIMENSIONS OF THE UNITS

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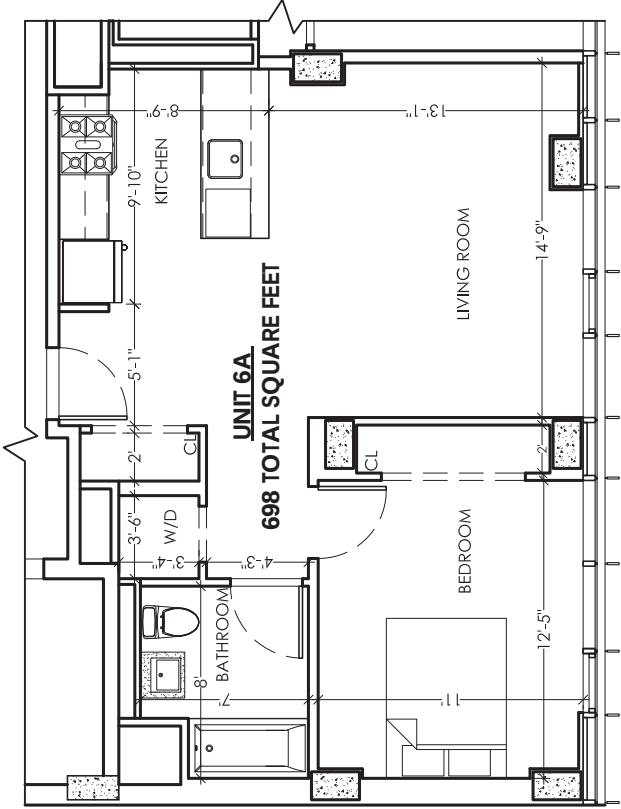


SCALE: 1/32" = 1'-0"

6TH FLOOR PLAN KEY

LEGEND

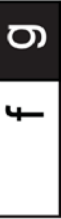
	COMMON AREA		RESIDENTIAL		COMMERCIAL
	LIMITED COMMON AREA		UNIT EXTENTS		



SCALE: 1/8" = 1'-0"

UNIT 6A

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



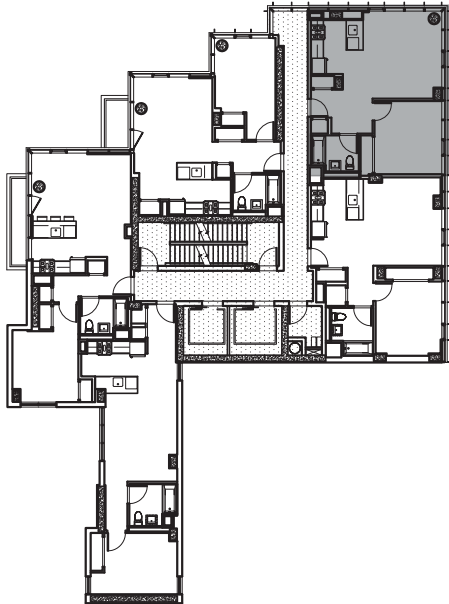
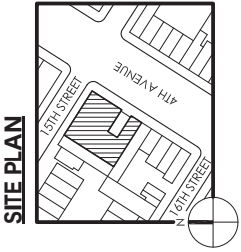
554 4TH AVE, BROOKLYN NY	
UNIT 6B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,437 SF

DIMENSIONS OF THE UNITS

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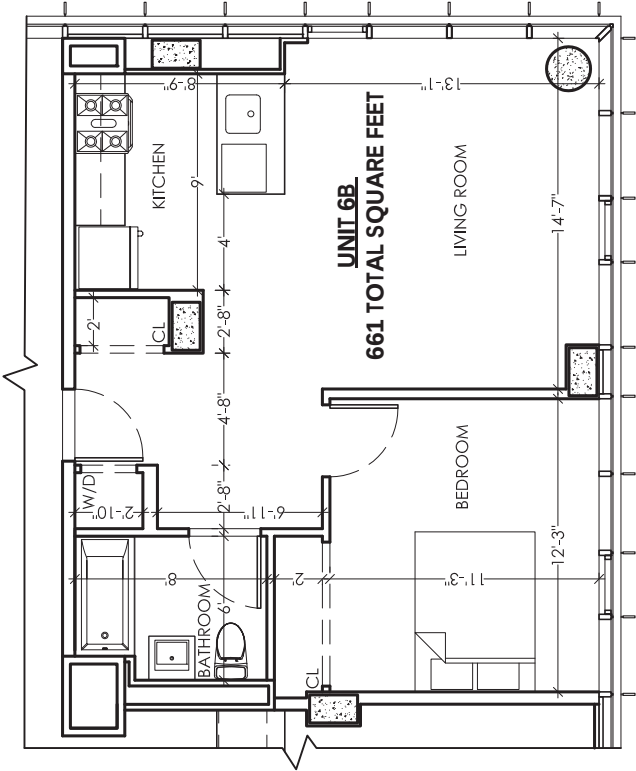


6TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

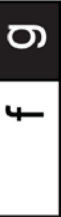
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS



UNIT 6B

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



554 4TH AVE, BROOKLYN NY	
UNIT 6C - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	721 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,497 SF

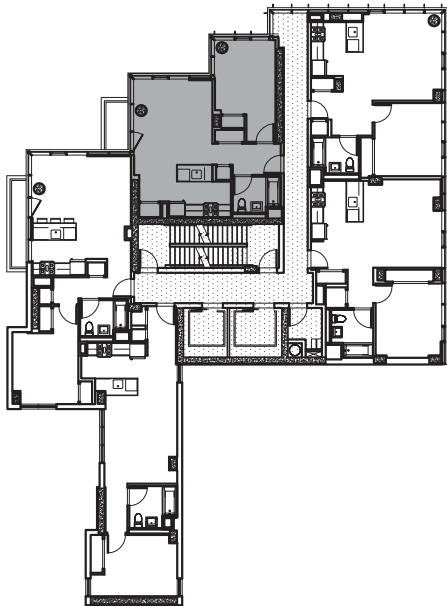
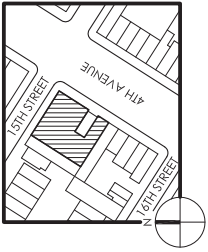
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SITE PLAN

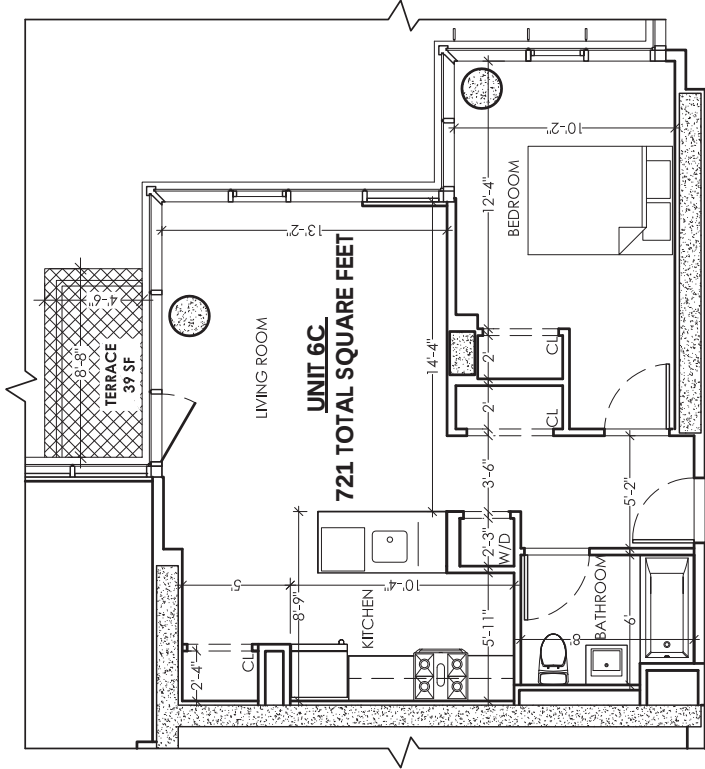


SCALE: 1/32" = 1'-0"

6TH FLOOR PLAN KEY

LEGEND

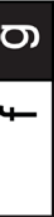
	COMMON AREA		RESIDENTIAL		COMMERCIAL
	LIMITED COMMON AREA		UNIT EXTENTS		



SCALE: 1/8" = 1'-0"

UNIT 6C

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



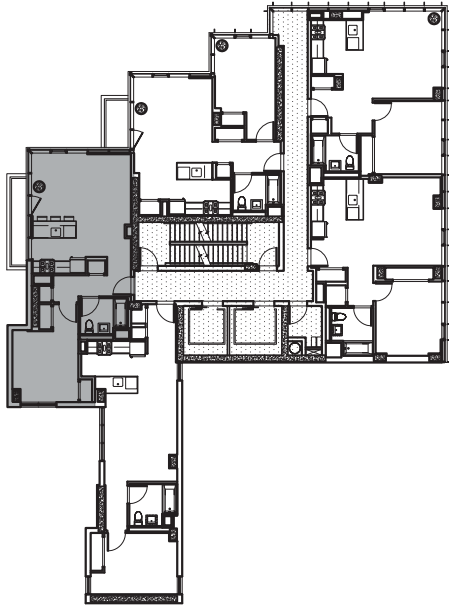
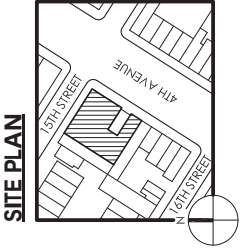
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UNIT 6D - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	728 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,504 SF

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

THE APPROXIMATE FLOOR AREA OF EACH UNIT HAS BEEN MEASURED FROM THE EXTERIOR FACE OF THE EXTERIOR WALLS AND OR PROPERTY LINE TO THE MIDPOINT OF THE INTERIOR PARTITIONS SEPARATING A UNIT FROM ANOTHER UNIT.

MEASURED VERTICALLY, EACH UNIT CONSISTS OF THE VOLUME FROM THE TOP OF THE FLOOR SLAB (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS TO THE UNDERSIDE OF THE FLOOR SLAB ABOVE

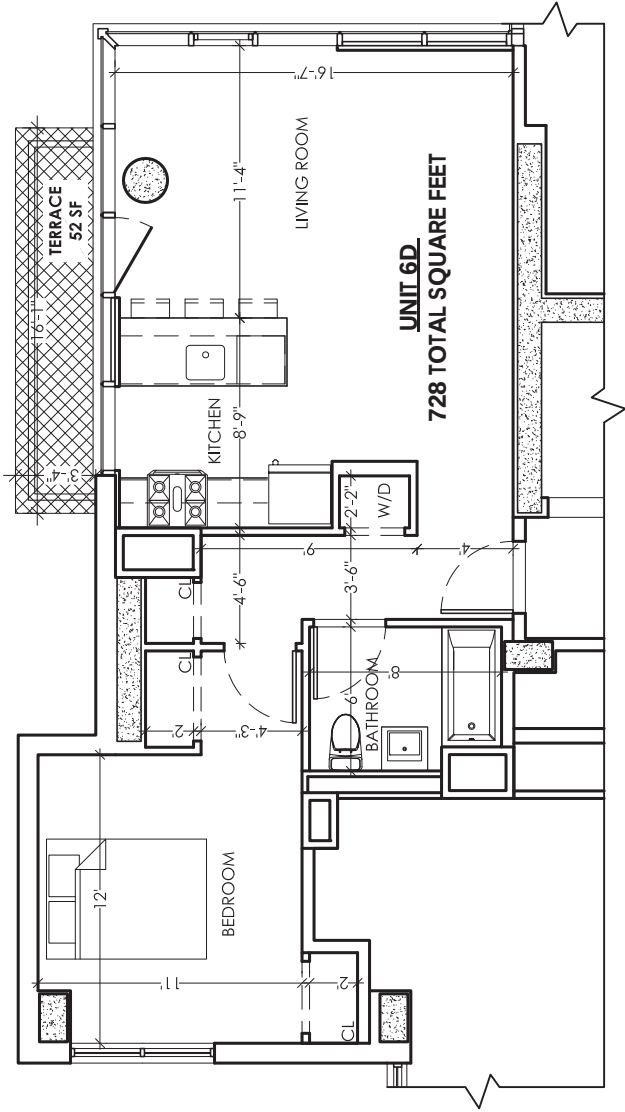


SCALE: 1/32" = 1'-0"

6TH FLOOR PLAN KEY

LEGEND

	COMMON AREA		RESIDENTIAL		COMMERCIAL
	LIMITED COMMON AREA		UNIT EXTENTS		



UNIT 6D

SCALE: 1/8" = 1'-0"

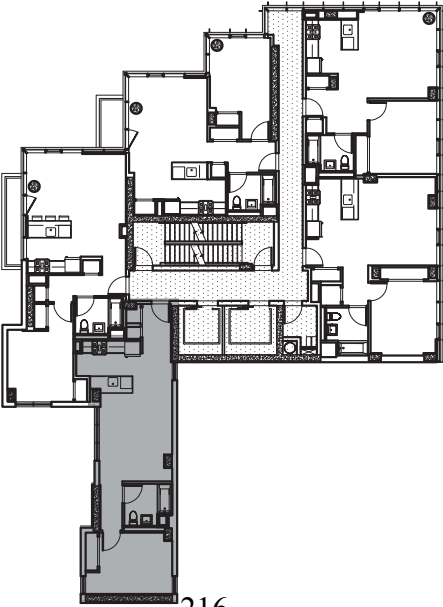
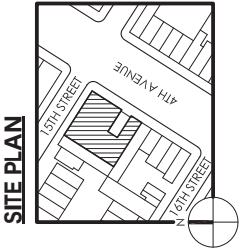
554 4TH AVE, BROOKLYN NY		
UNIT 6E - 1BED, 1BATH	TAX LOT xxxx	
RESIDENTIAL AREA	726 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,502 SF	

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

THE APPROXIMATE FLOOR AREA OF EACH UNIT HAS BEEN MEASURED FROM THE EXTERIOR FACE OF THE EXTERIOR WALLS AND OR PROPERTY LINE TO THE MIDPOINT OF THE INTERIOR PARTITIONS SEPARATING A UNIT FROM ANOTHER UNIT.

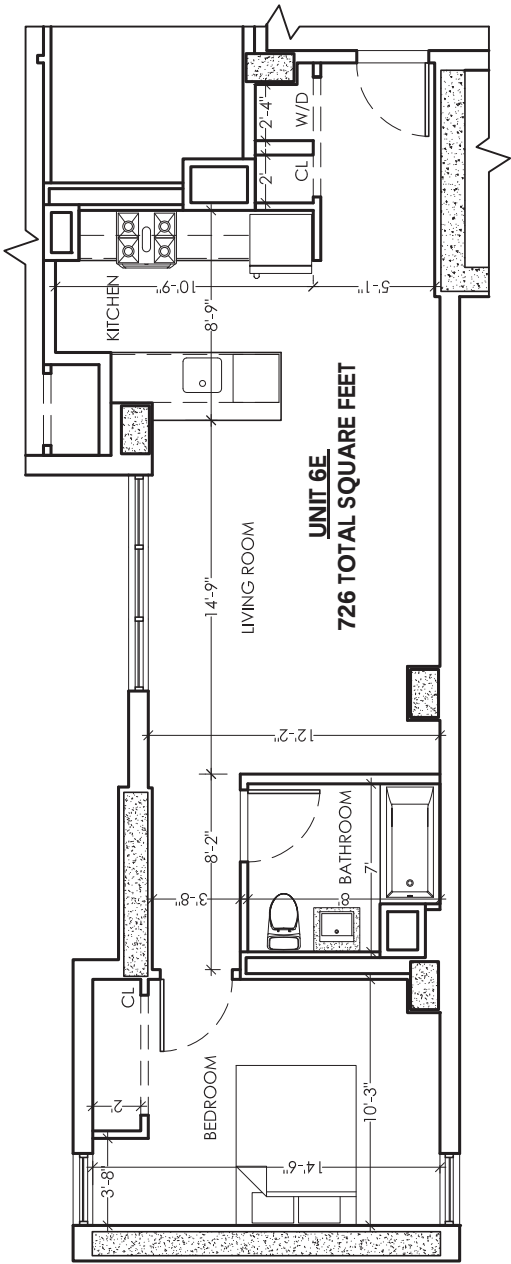
MEASURED VERTICALLY. EACH UNIT CONSISTS OF THE VOLUME FROM THE TOP OF THE FLOOR SLAB (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS TO THE UNDERSIDE OF THE FLOOR SLAB ABOVE



6TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

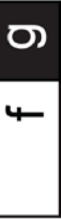
LEGEND



UNIT 6E

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



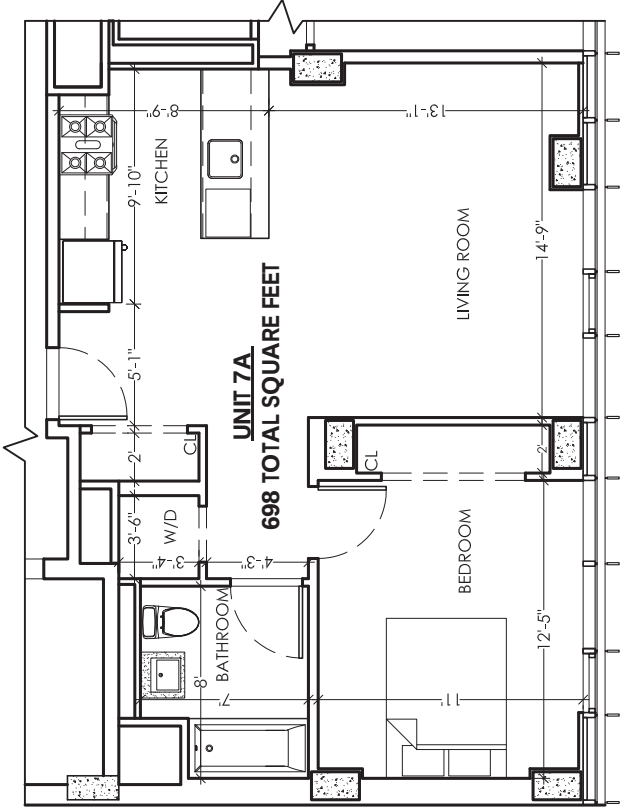
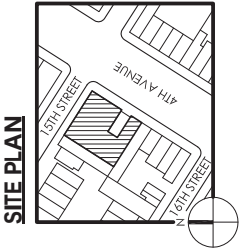
554 4TH AVE, BROOKLYN NY	
UNIT 7A - 1 BED, 1 BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,474 SF

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

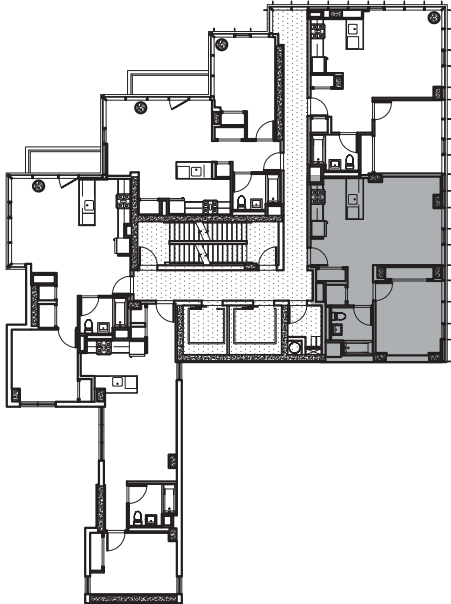
THE APPROXIMATE FLOOR AREA OF EACH UNIT HAS BEEN MEASURED FROM THE EXTERIOR FACE OF THE EXTERIOR WALLS AND OR PROPERTY LINE TO THE MIDPOINT OF THE INTERIOR PARTITIONS SEPARATING A UNIT FROM ANOTHER UNIT.

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UNIT 7A

SCALE: 1/8" = 1'-0"



7TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

554 4TH AVE, BROOKLYN NY	
UNIT 7B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,437 SF

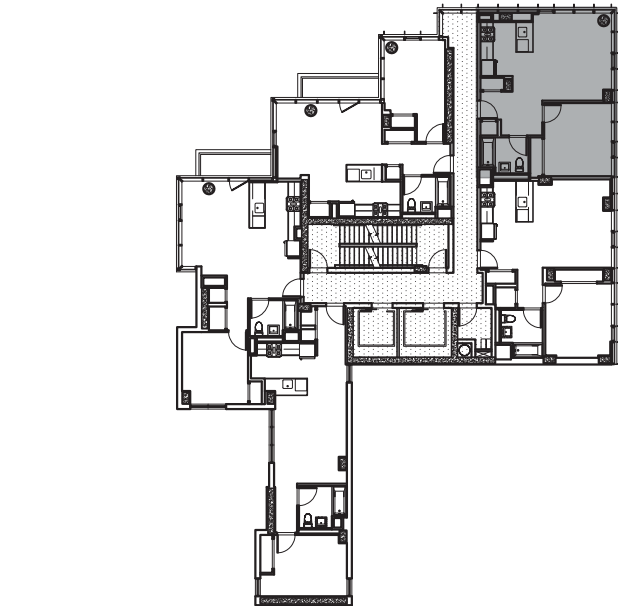
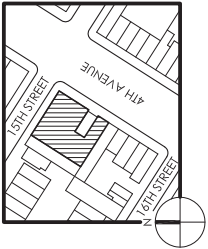
DIMENSIONS OF THE UNITS

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SITE PLAN

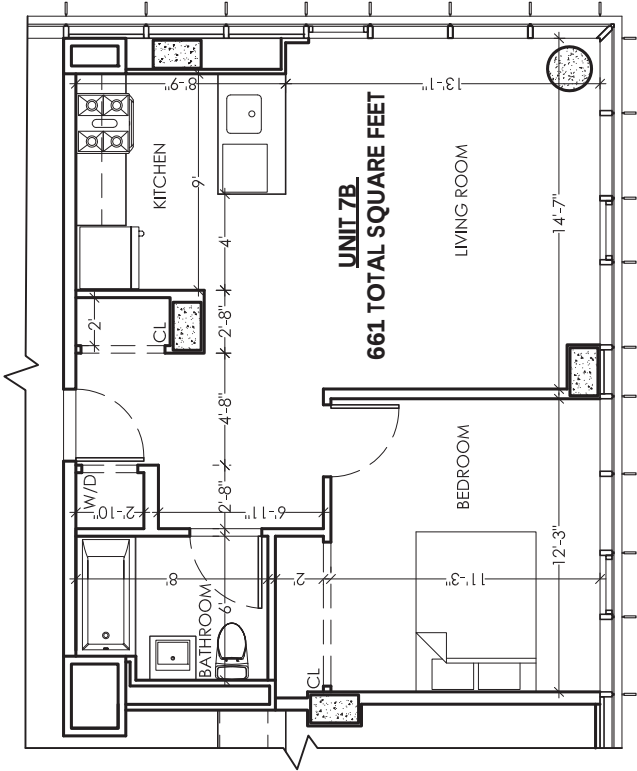


7TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

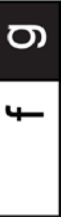
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS



UNIT 7B

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8962



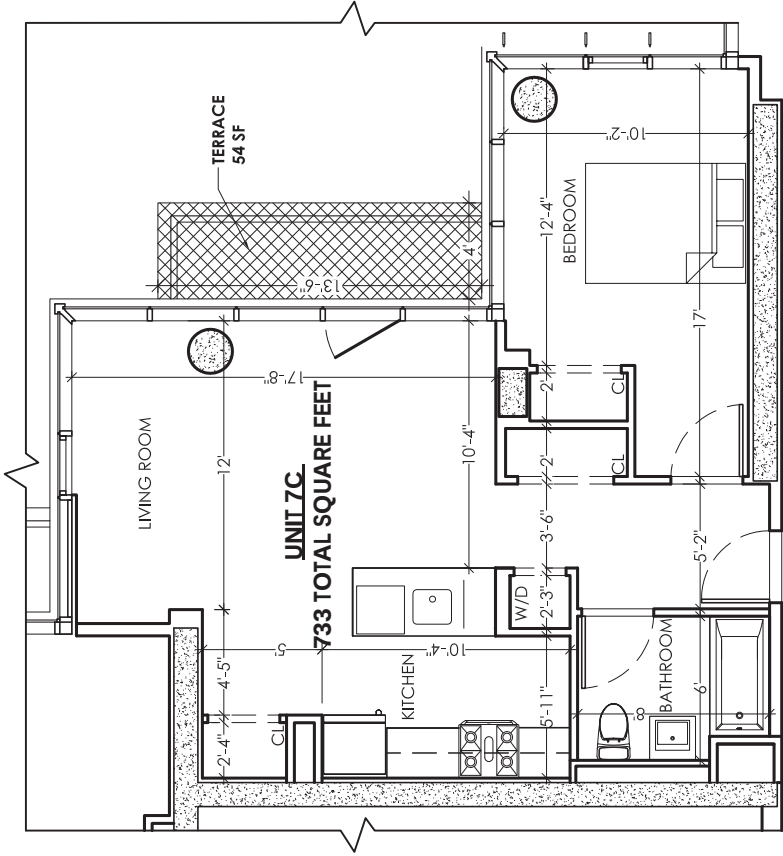
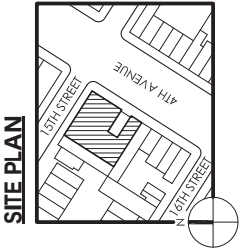
554 4TH AVE, BROOKLYN NY		
UNIT 7C - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA		733 SF
LIMITED COMMON ELEMENTS		54 SF
GENERAL COMMON ELEMENTS		776 SF
TOTAL		1,563 SF

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

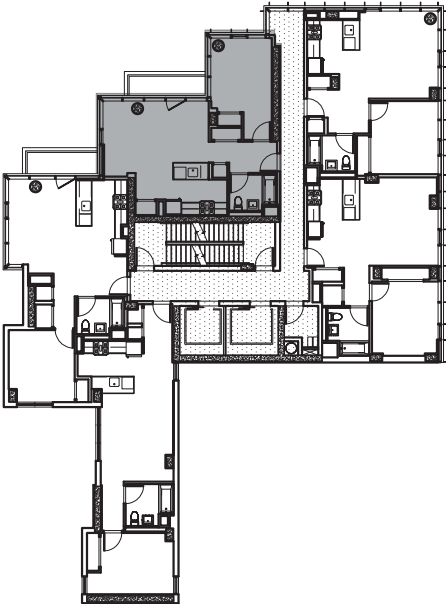
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UNIT 7C

SCALE: 1/8" = 1'-0"



7TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

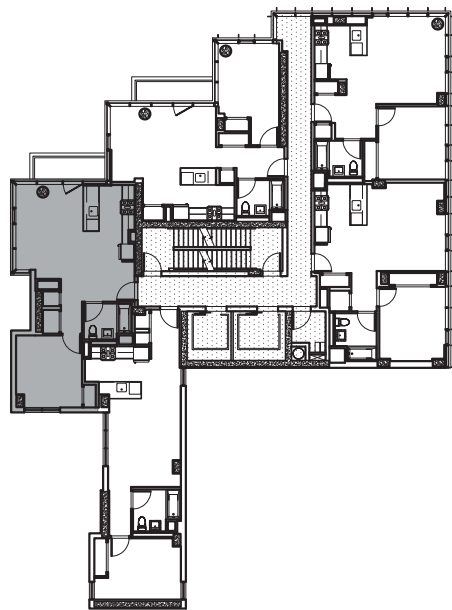
DIMENSIONS OF THE UNITS

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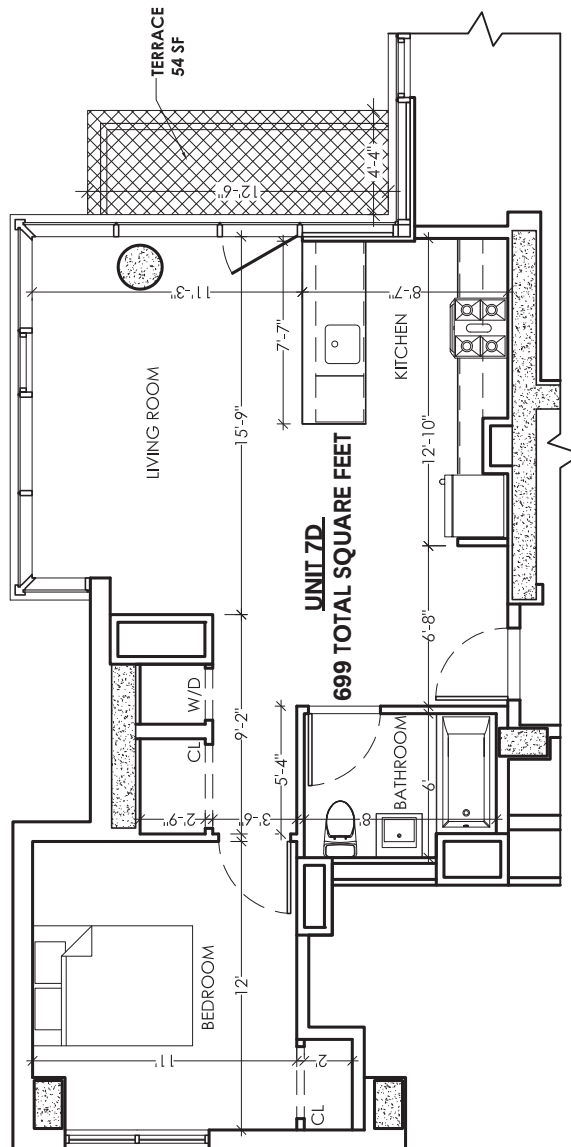
MEASURED VERTICALLY, EACH UNIT CONSISTS OF THE VOLUME FROM THE TOP OF THE FLOOR SLAB (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS TO THE UNDERSIDE OF THE FLOOR SLAB ABOVE

554 4TH AVE, BROOKLYN NY	
UNIT 7D - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	699 SF
LIMITED COMMON ELEMENTS	54 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,529 SF



7TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"



UNIT 7D

SCALE: 1/8" = 1'-0"

LEGEND

- COMMON AREA

LIMITED COMMON AREA

RESIDENTIAL

UNIT EXTENTS

COMMERCIAL

feingold & gregory - architects
118 west 83rd street - new york, NY 10024
tel. (212) 595-6895 fax. (212) 787-8992

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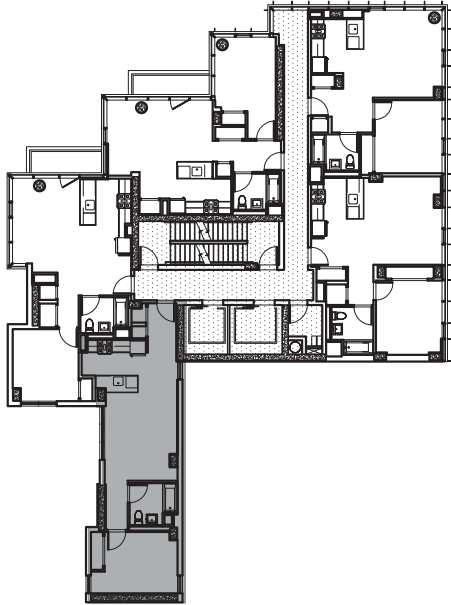
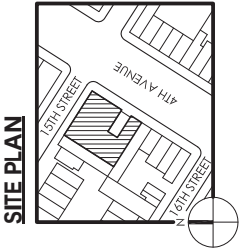
554 4TH AVE, BROOKLYN NY		
UNIT 7E - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA	726 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,502 SF	

DIMENSIONS OF THE UNITS

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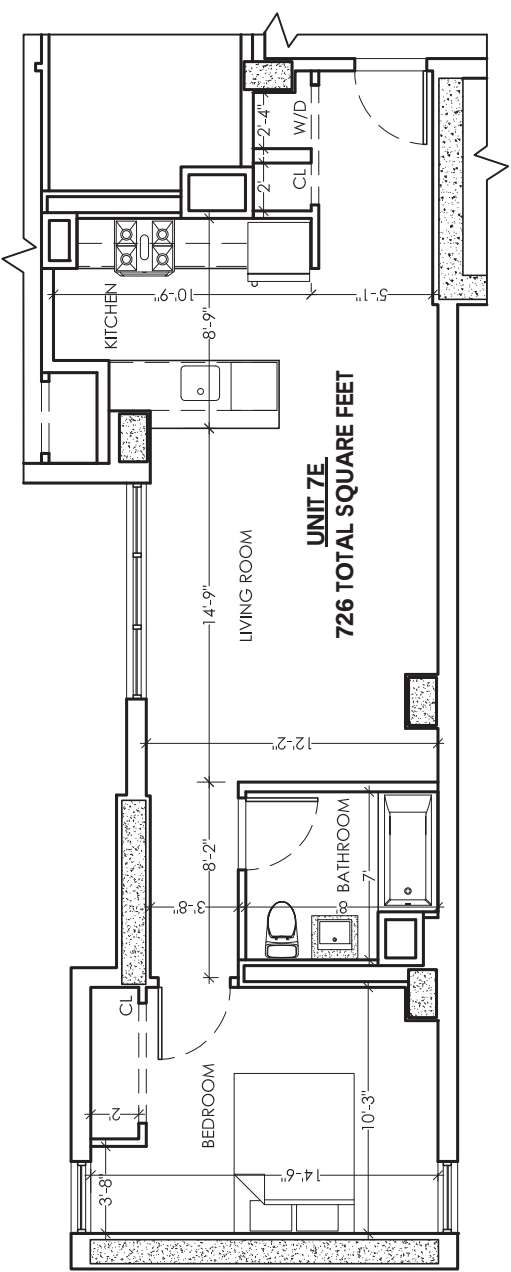


7TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

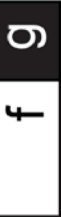


UNIT 7E

SCALE: 1/8" = 1'-0"

UNIT 7E
726 TOTAL SQUARE FEET

feingold & gregory - architects
118 west 83rd street - new york, NY 10024
tel. (212) 595-6995 fax. (212) 787-8992



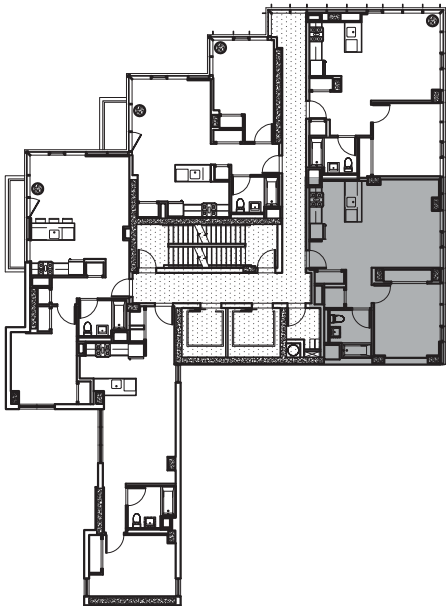
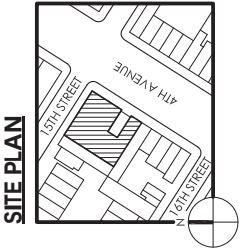
554 4TH AVE, BROOKLYN NY	
UNIT 8A - 1 BED, 1 BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,474 SF

DIMENSIONS OF THE UNITS

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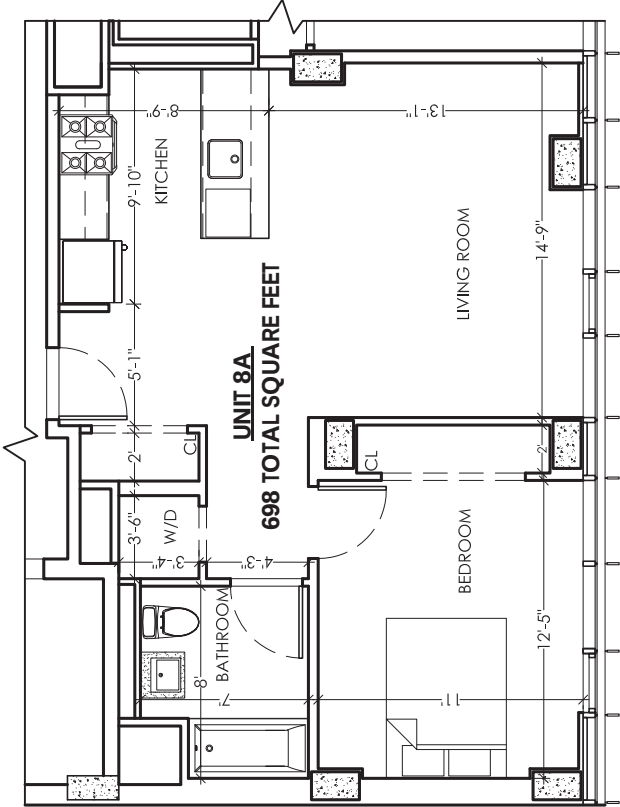


SCALE: 1/32" = 1'-0"

8TH FLOOR PLAN KEY

LEGEND

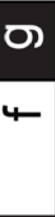
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL



SCALE: 1/8" = 1'-0"

UNIT 8A

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



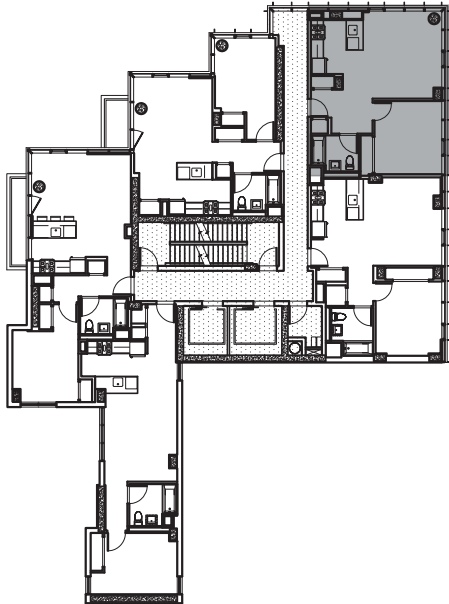
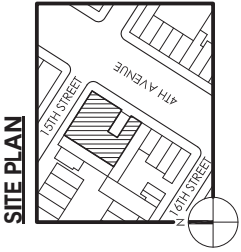
554 4TH AVE, BROOKLYN NY	
UNIT 8B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,437 SF

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

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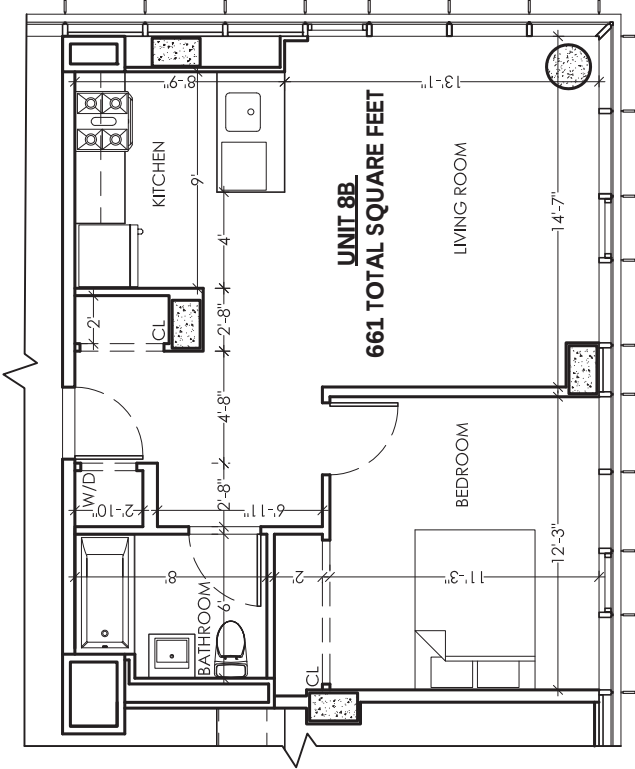


8TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

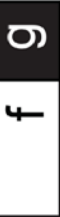
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS



UNIT 8B

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



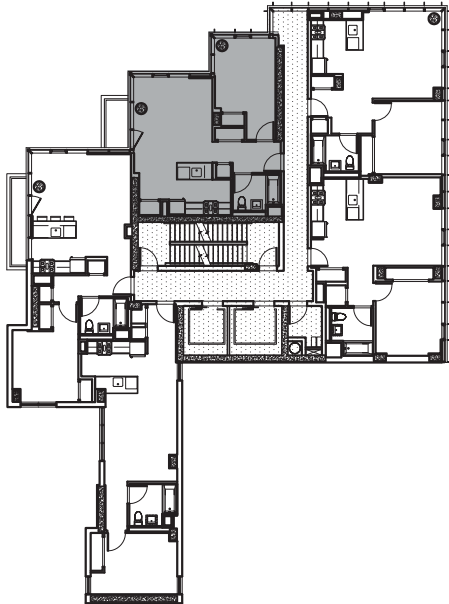
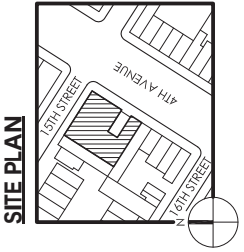
554 4TH AVE, BROOKLYN NY	
UNIT 8C - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	721 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,497 SF

DIMENSIONS OF THE UNITS

ALL DIMENSIONS ARE APPROXIMATE AND SUBJECT TO CONSTRUCTION VARIANCES PLANS AND DIMENSIONS MAY CONTAIN MINOR VARIATIONS FROM FLOOR TO FLOOR.

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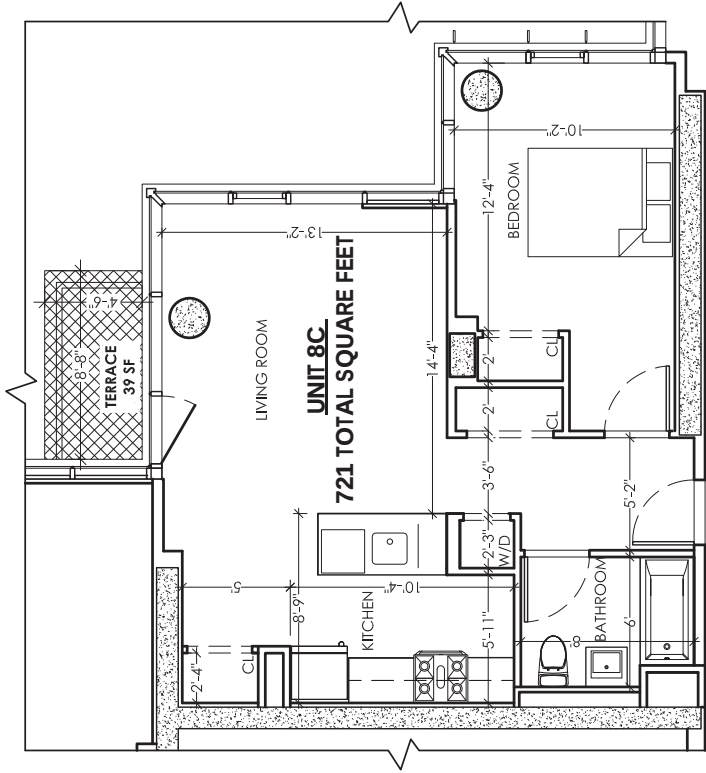


SCALE: 1/32" = 1'-0"

8TH FLOOR PLAN KEY

LEGEND

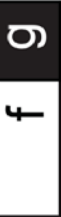
COMMON AREA
LIMITED COMMON AREA
RESIDENTIAL
UNIT EXTENTS
COMMERCIAL



SCALE: 1/8" = 1'-0"

UNIT 8C

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



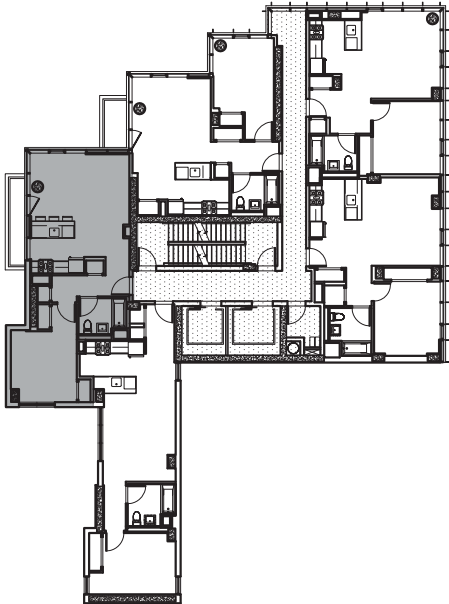
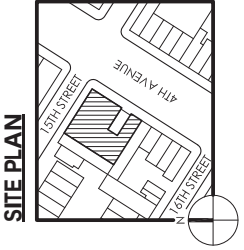
554 4TH AVE, BROOKLYN NY	
UNIT 8D - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	728 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,504 SF

DIMENSIONS OF THE UNITS

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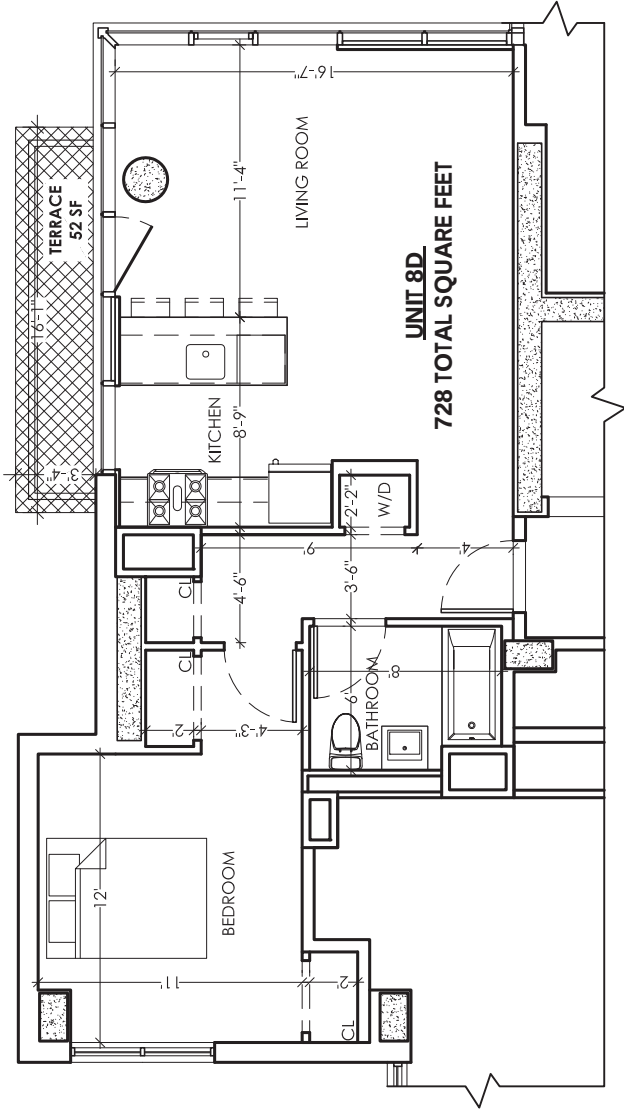


8TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS



UNIT 8D

SCALE: 1/8" = 1'-0"

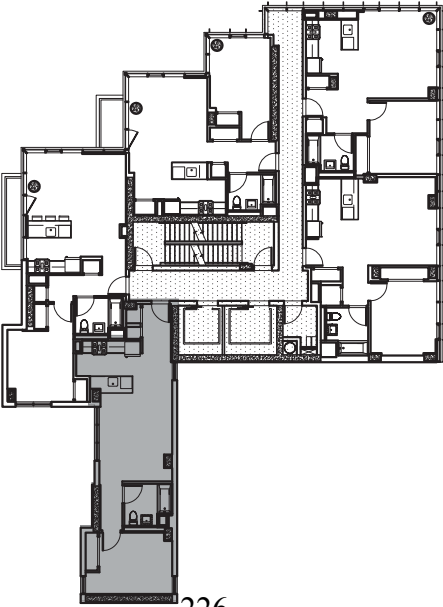
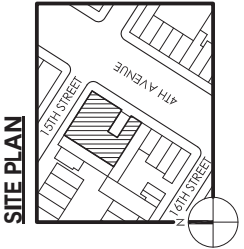
554 4TH AVE, BROOKLYN NY		
UNIT 8E - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA	726 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,502 SF	

DIMENSIONS OF THE UNITS

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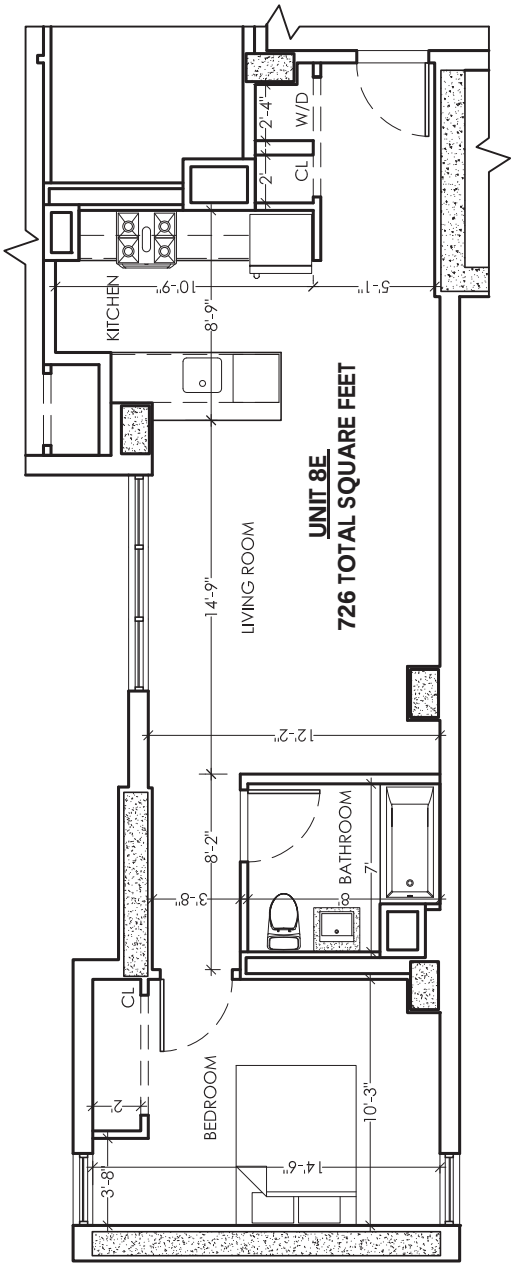
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8TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

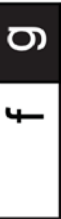
LEGEND



UNIT 8E

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



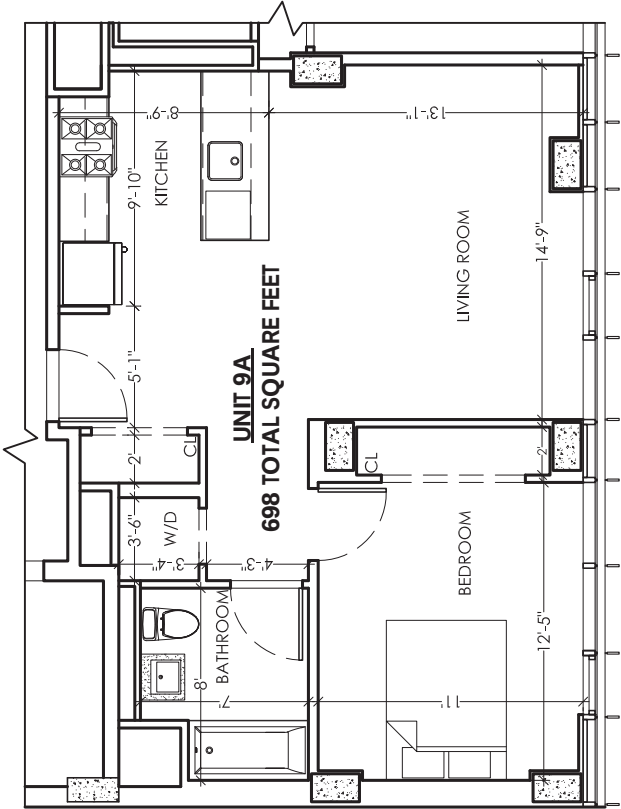
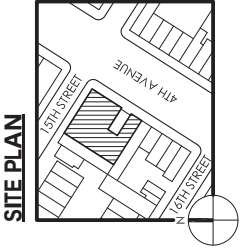
554 4TH AVE, BROOKLYN NY	
UNIT 9A - 1 BED, 1 BATH	TAX LOT xxxx
RESIDENTIAL AREA	698 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,474 SF

DIMENSIONS OF THE UNITS

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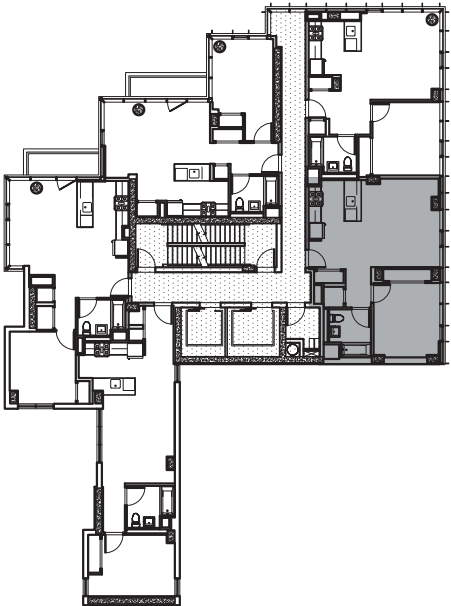
THE APPROXIMATE FLOOR AREA OF EACH UNIT HAS BEEN MEASURED FROM THE EXTERIOR FACE OF THE EXTERIOR WALLS AND OR PROPERTY LINE TO THE MIDPOINT OF THE INTERIOR PARTITIONS SEPARATING A UNIT FROM ANOTHER UNIT.

MEASURED VERTICALLY, EACH UNIT CONSISTS OF THE VOLUME FROM THE TOP OF THE FLOOR SLAB (LOCATED UNDER THE FINISHED FLOORING AND SUB-FLOOR MATERIALS TO THE UNDERSIDE OF THE FLOOR SLAB ABOVE



UNIT 9A

SCALE: 1/8" = 1'-0"



9TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

554 4TH AVE, BROOKLYN NY	
UNIT 9B - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	661 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,437 SF

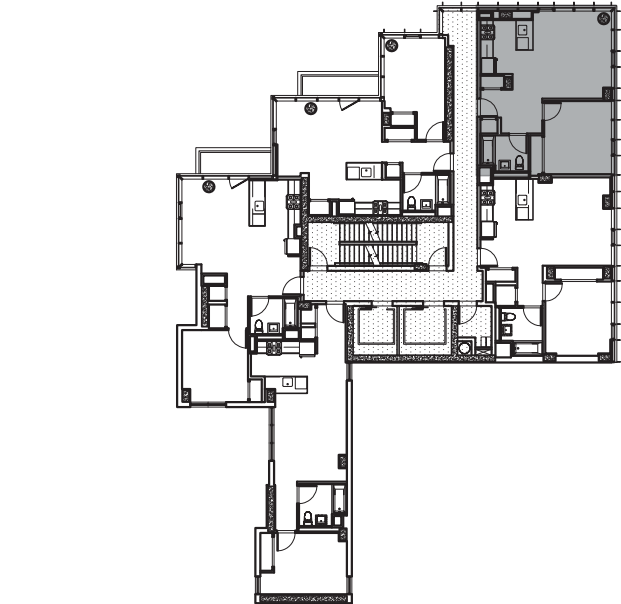
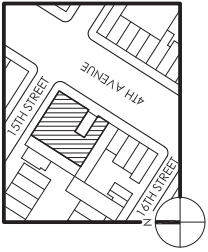
DIMENSIONS OF THE UNITS

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SITE PLAN

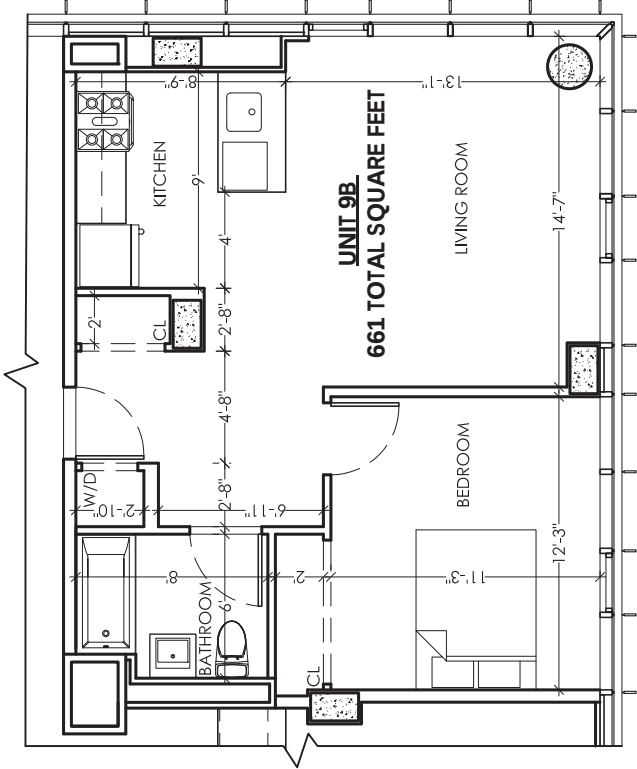


9TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

-  COMMON AREA
-  LIMITED COMMON AREA
-  RESIDENTIAL
-  UNIT EXTENTS
-  COMMERCIAL



UNIT 9B

SCALE: 1/8" = 1'-0"

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118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8962



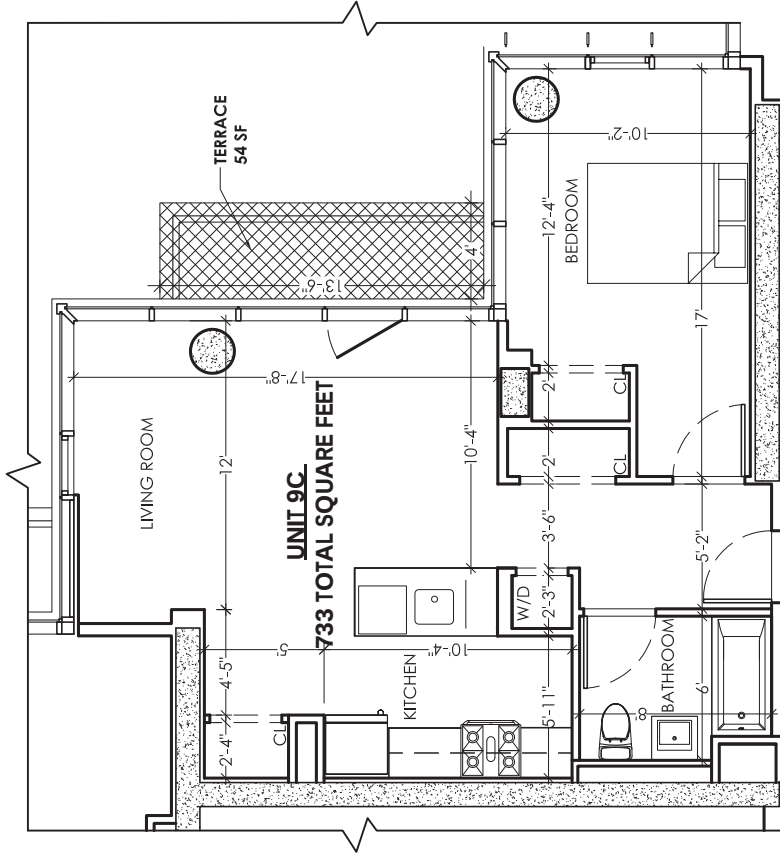
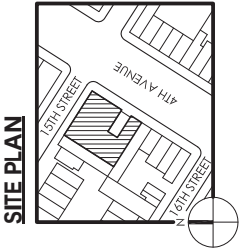
554 4TH AVE, BROOKLYN NY	
UNIT 9C - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	733 SF
LIMITED COMMON ELEMENTS	54 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,563 SF

DIMENSIONS OF THE UNITS

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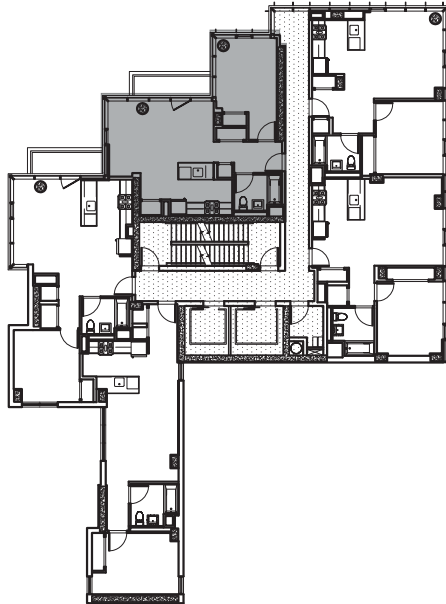
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UNIT 9C

SCALE: 1/8" = 1'-0"



9TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

LEGEND

	COMMON AREA		RESIDENTIAL		COMMERCIAL
	LIMITED COMMON AREA		UNIT EXTENTS		

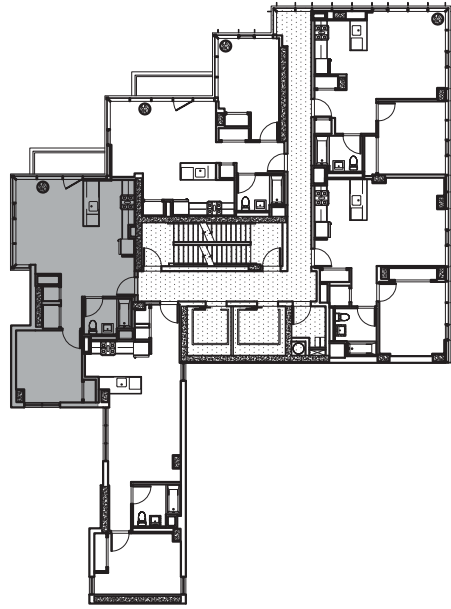
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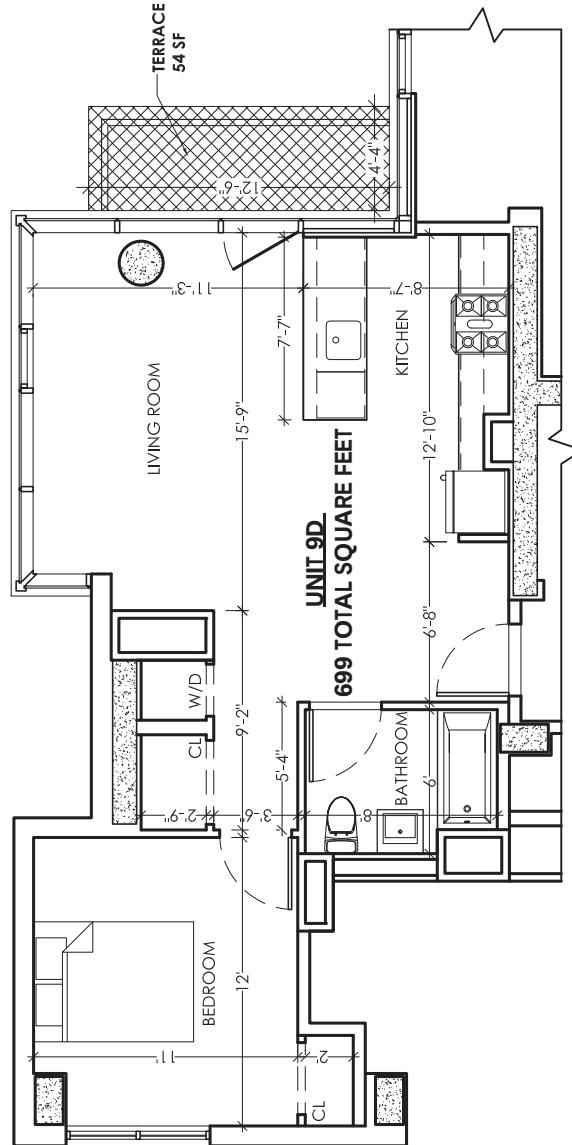
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554 4TH AVE, BROOKLYN NY	
UNIT 9D - 1BED, 1BATH	TAX LOT xxxx
RESIDENTIAL AREA	699 SF
LIMITED COMMON ELEMENTS	54 SF
GENERAL COMMON ELEMENTS	776 SF
TOTAL	1,529 SF



9TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"



UNIT 9D

SCALE: 1/8" = 1'-0"

LEGEND

- COMMON AREA
RESIDENTIAL
UNIT EXTENTS
LIMITED COMMON AREA
COMMERCIAL

feingold & gregory - architects
118 west 83rd street - new york, NY 10024
tel. (212) 595-6895 fax. (212) 787-8992

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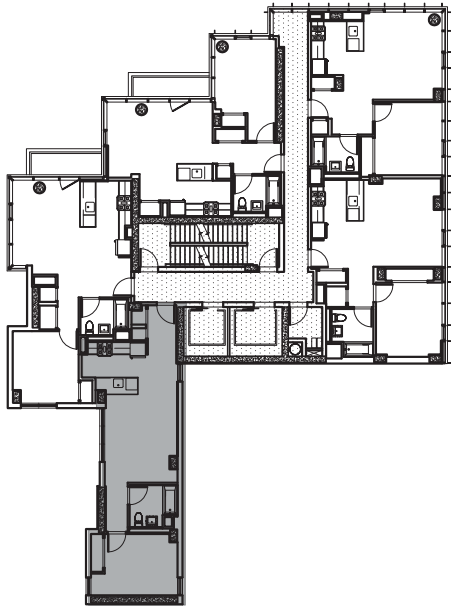
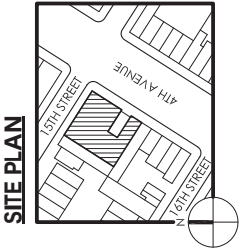
554 4TH AVE, BROOKLYN NY		
UNIT 9E - 1BED, 1BATH		TAX LOT xxxx
RESIDENTIAL AREA	726 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	776 SF	
TOTAL	1,502 SF	

DIMENSIONS OF THE UNITS

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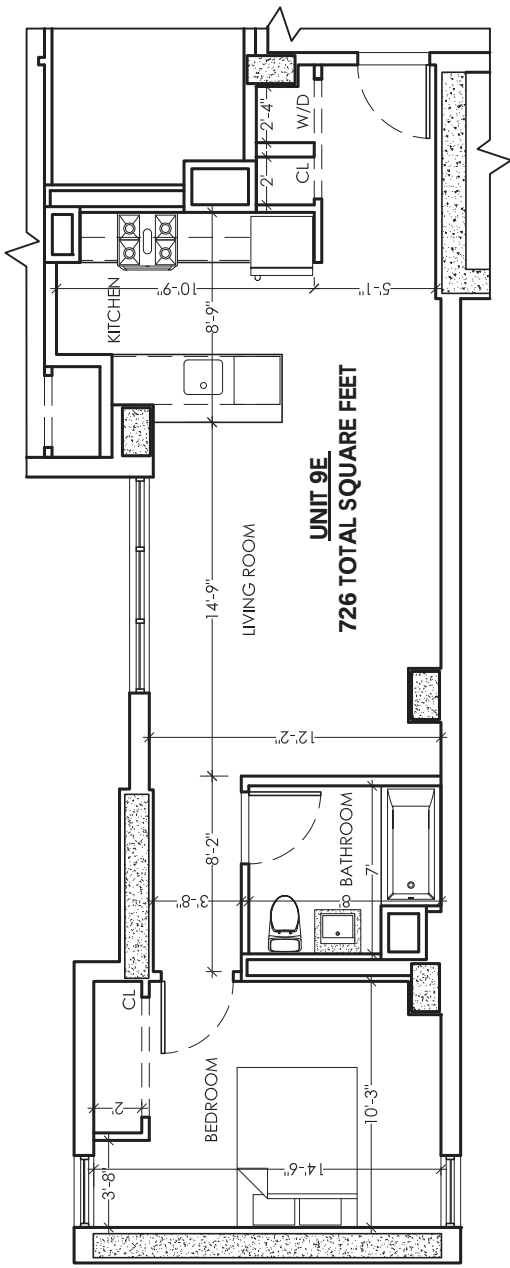
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9TH FLOOR PLAN KEY

SCALE: 1/32" = 1'-0"

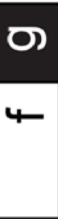
LEGEND



UNIT 9E

SCALE: 1/8" = 1'-0"

feingold & gregory - architects
118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992

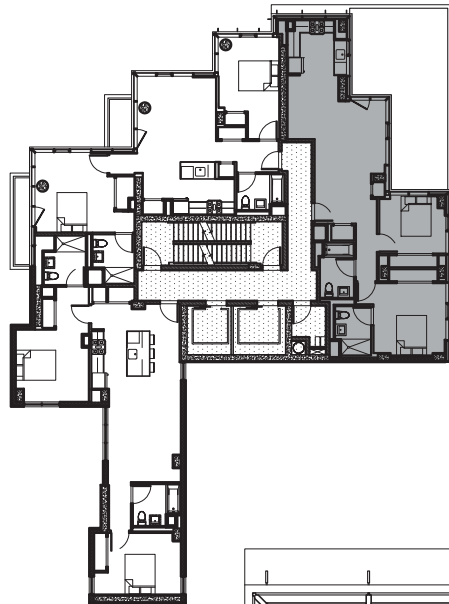


SITE PLAN

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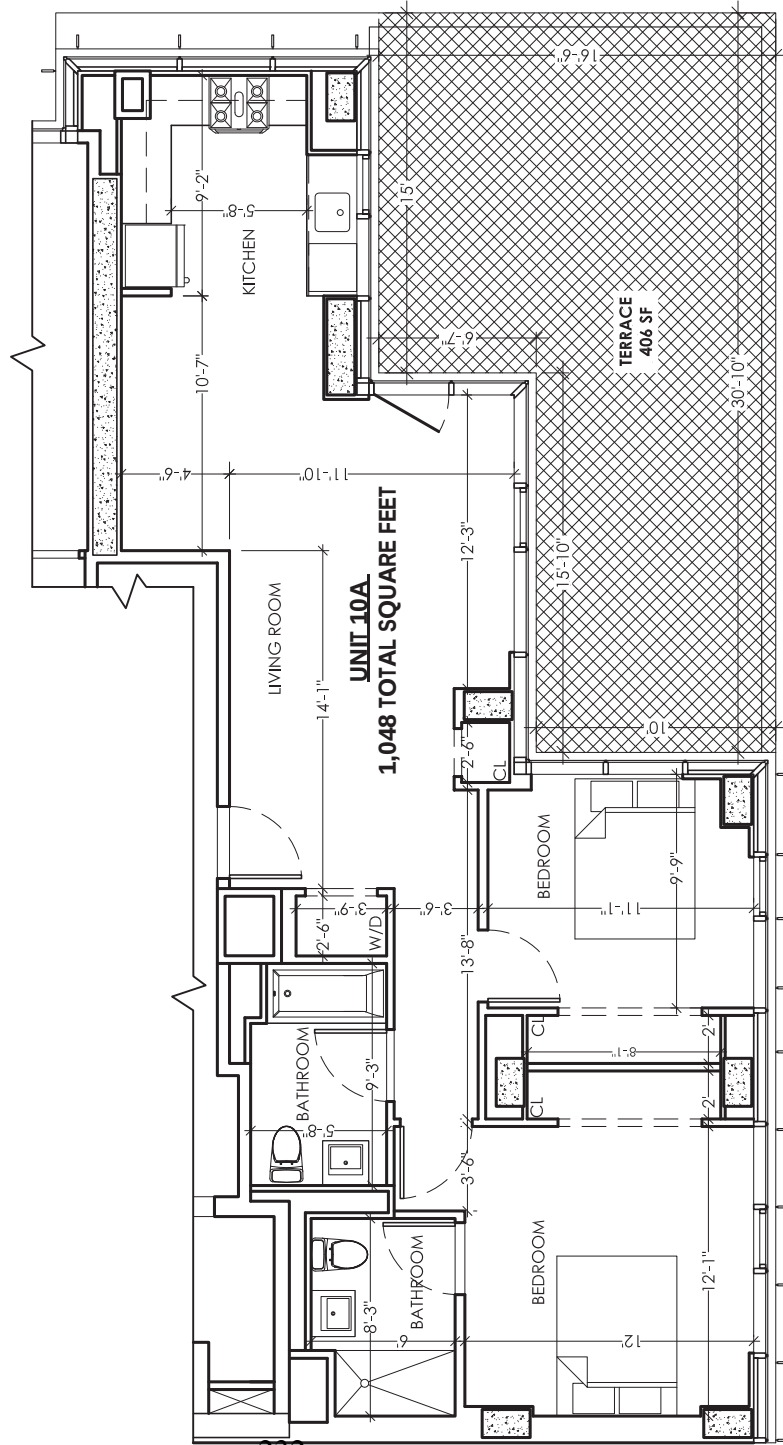
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10TH FLOOR PLAN

SCALE: 1/32" = 1'-0"



UNIT 10A

SCALE: 1/8" = 1'-0"

COMMON AREA
RESIDENTIAL
COMMERCIAL

feingold & gregory - architects
118 west 83rd street - new york, NY 10024
tel. (212) 595-6895 fax. (212) 787-8992

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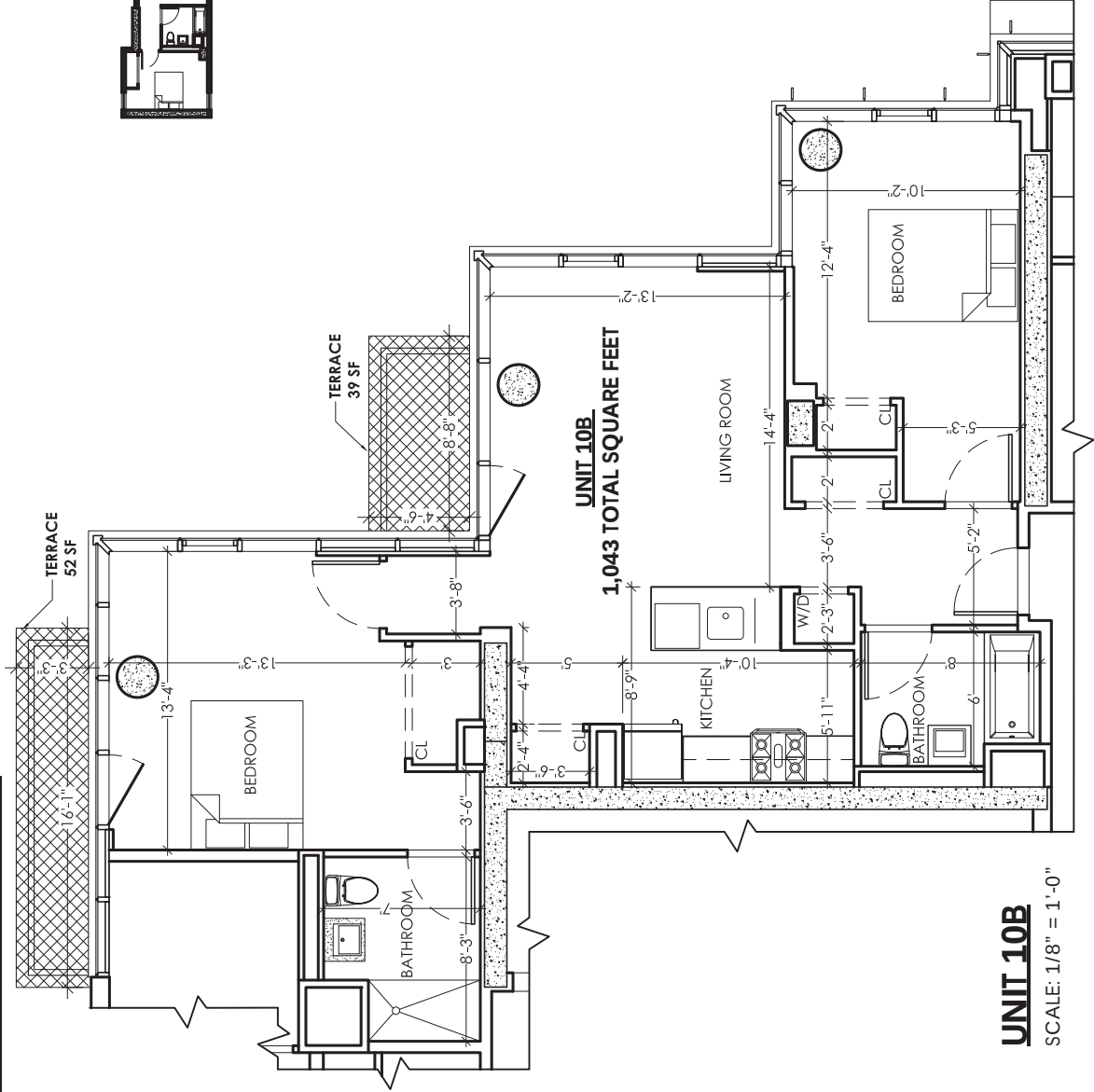
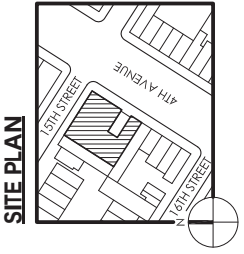
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554 4TH AVE, BROOKLYN NY	
UNIT 10B - 2 BED, 2 BATH	TAX LOT xxxx
RESIDENTIAL AREA	1,043 SF
LIMITED COMMON ELEMENTS	91 SF
GENERAL COMMON ELEMENTS	675 SF
TOTAL	1,809 SF



UNIT 10B

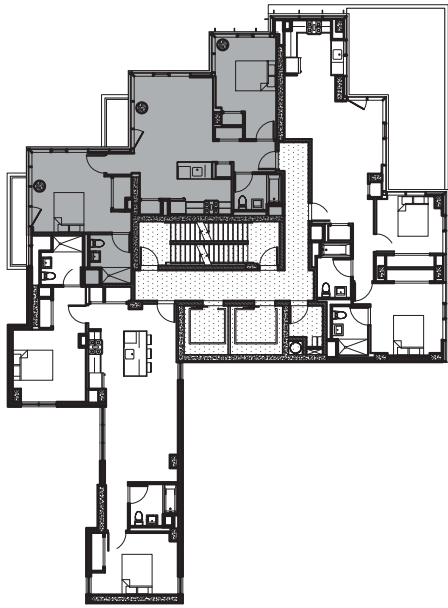
SCALE: 1/8" = 1'-0"

LEGEND

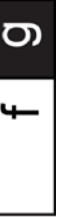
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS

10TH FLOOR PLAN

SCALE: 1/32" = 1'-0"



feingold & gregory - architects
118 west 83rd street - new york, ny 10024
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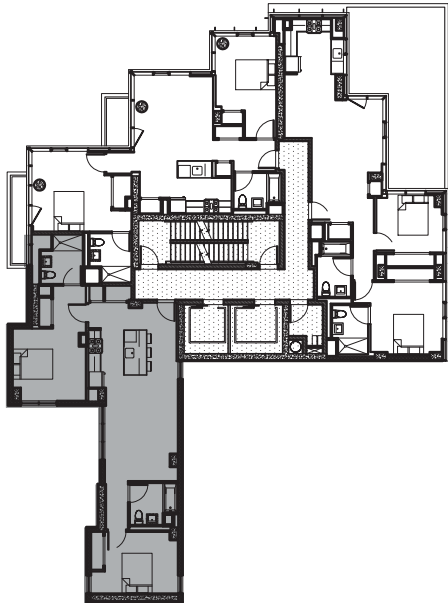
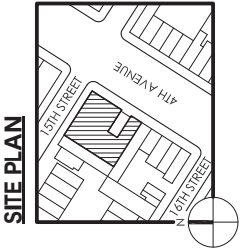
554 4TH AVE, BROOKLYN NY		
UNIT 10C - 2 BED, 2 BATH		TAX LOT xxxx
RESIDENTIAL AREA	1,117 SF	
LIMITED COMMON ELEMENTS	0 SF	
GENERAL COMMON ELEMENTS	675 SF	
TOTAL	1,792 SF	

DIMENSIONS OF THE UNITS

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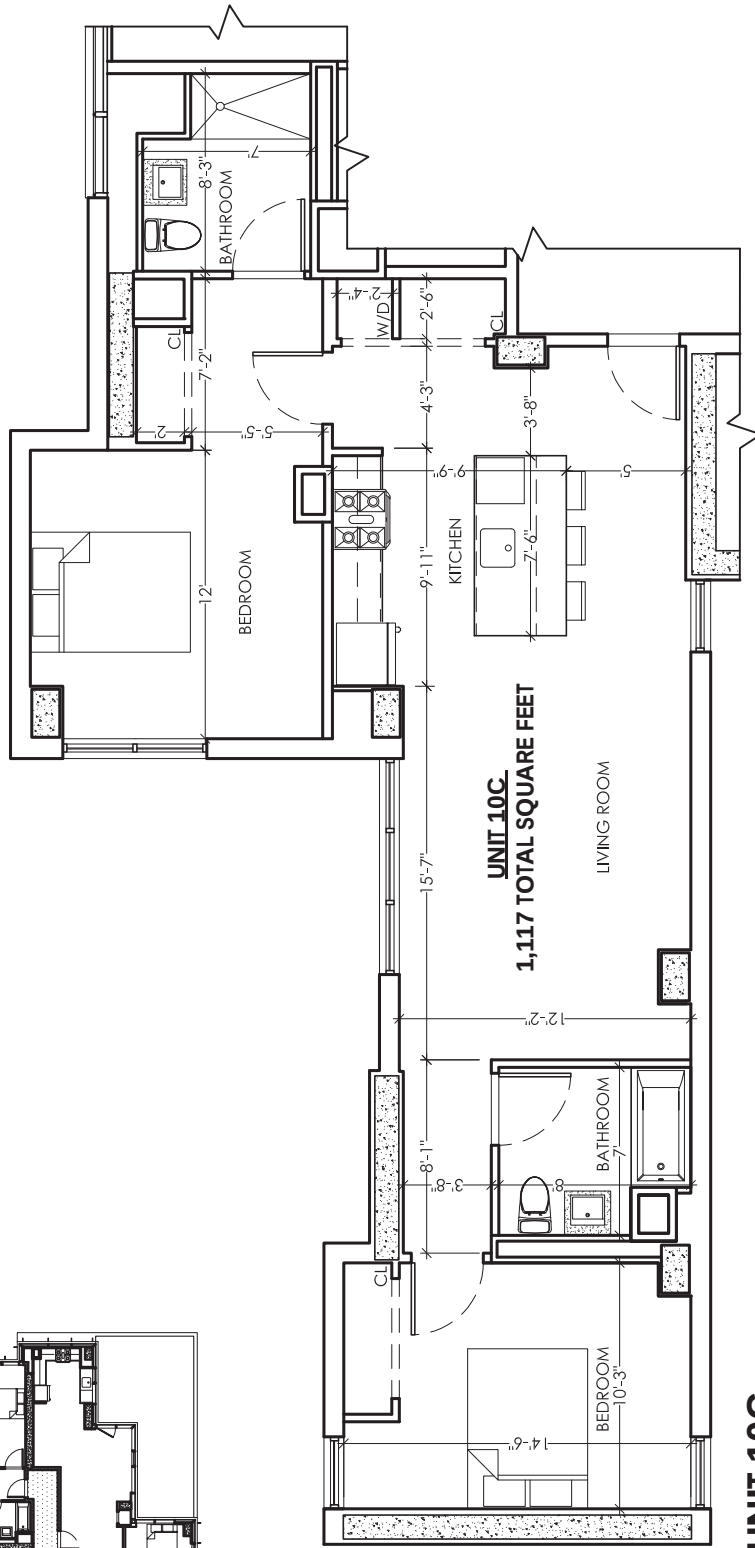
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10TH FLOOR PLAN

SCALE: 1/32" = 1'-0"



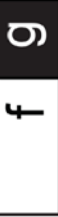
UNIT 10C

SCALE: 1/8" = 1'-0"

LEGEND

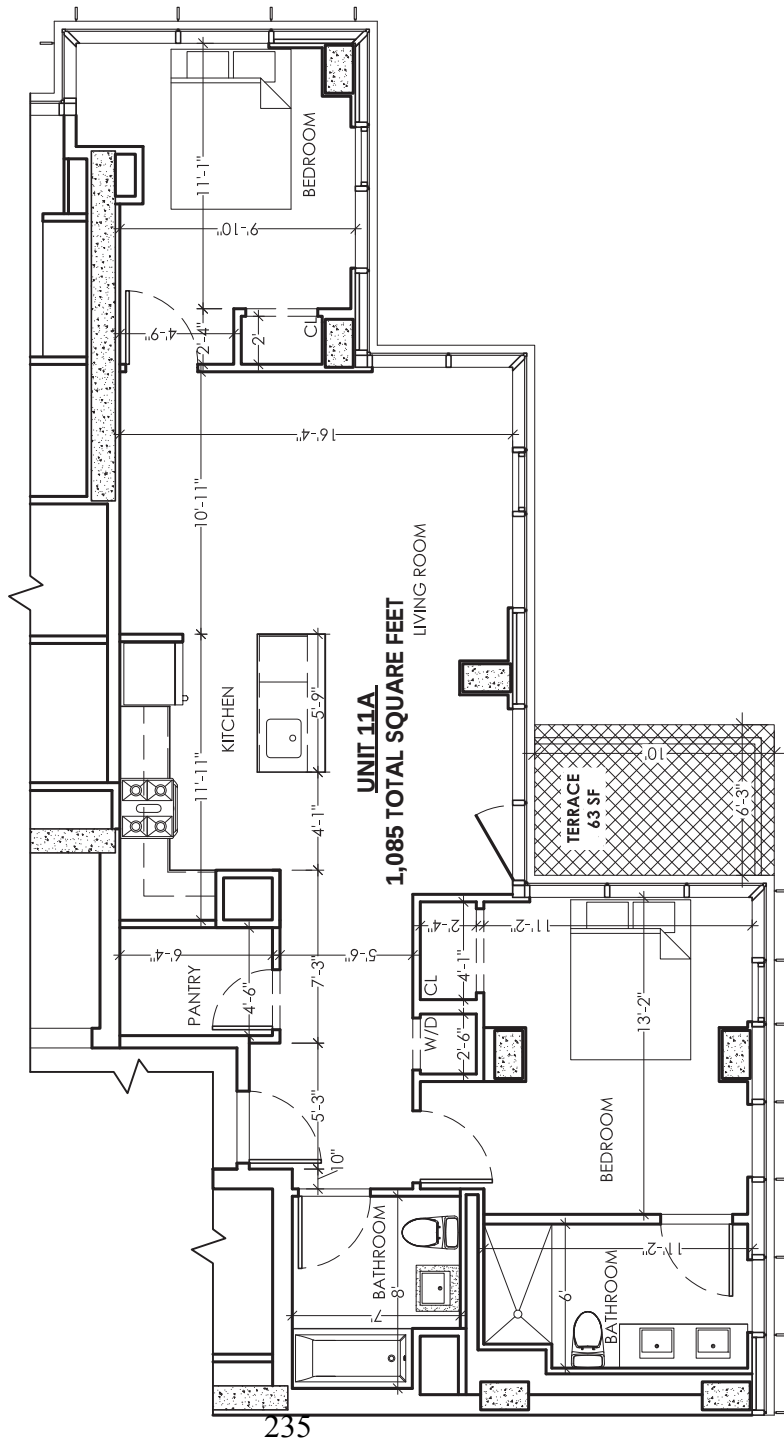
- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- UNIT EXTENTS
- COMMERCIAL

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118 west 83rd street - new york, ny 10024
tel. (212) 595-6995 fax. (212) 787-8992



SITE PLAN

SCALE: 1/32" = 1'-0"



SCALE: 1/8" = 1'-0"

COMMON AREA
RESIDENTIAL
COMMERCIAL

UNIT EXTENTS
LIMITED COMMON AREA

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18 west 83rd street - new york, NY 10024
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49

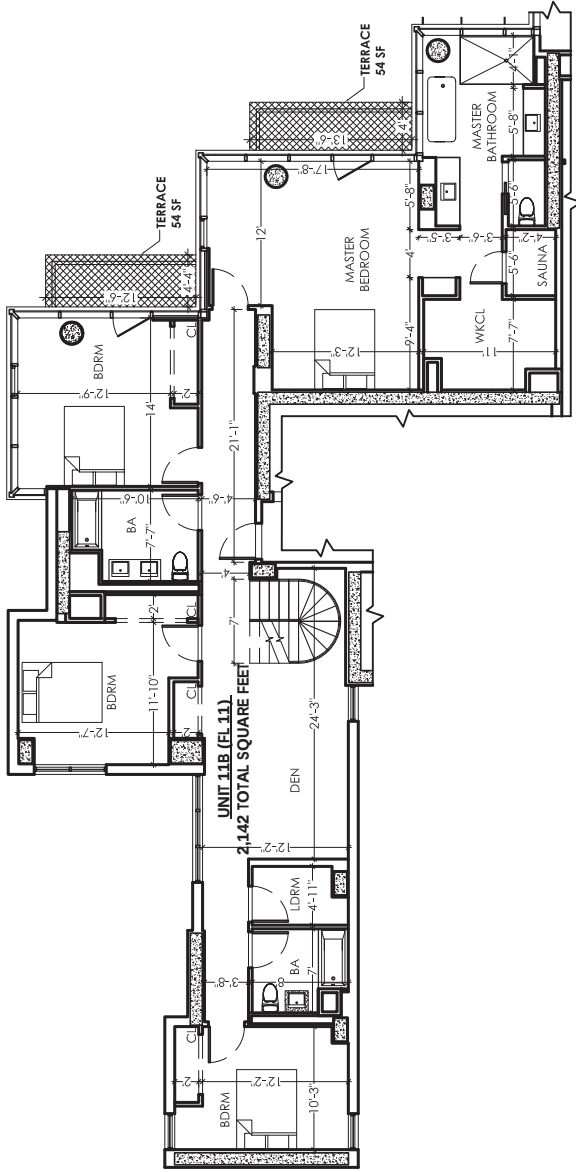
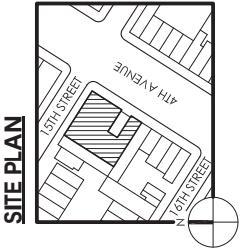
554 4TH AVE, BROOKLYN NY		
UNIT 11B - 5 BED, 4 BATH		TAX LOT xxxx
RESIDENTIAL AREA	4,480 SF	
LIMITED COMMON ELEMENTS	1,567 SF	
GENERAL COMMON ELEMENTS	578 SF	
TOTAL	6,625 SF	

DIMENSIONS OF THE UNITS

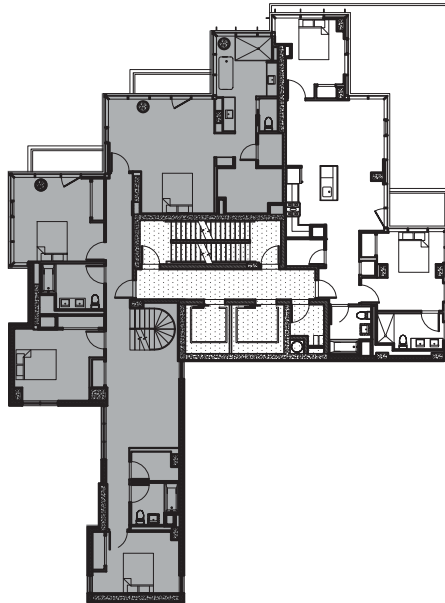
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UNIT 11B
SCALE: 1/16" = 1'-0"



11TH FLOOR PLAN
SCALE: 1/32" = 1'-0"

LEGEND

	COMMON AREA		RESIDENTIAL		COMMERCIAL
	LIMITED COMMON AREA		UNIT EXTENTS		

554 4TH AVE, BROOKLYN NY	
UNIT 12A - 5 BED, 4 BATH	TAX LOT xxxx
RESIDENTIAL AREA	4,480 SF
LIMITED COMMON ELEMENTS	1,567 SF
GENERAL COMMON ELEMENTS	578 SF
TOTAL	6,625 SF

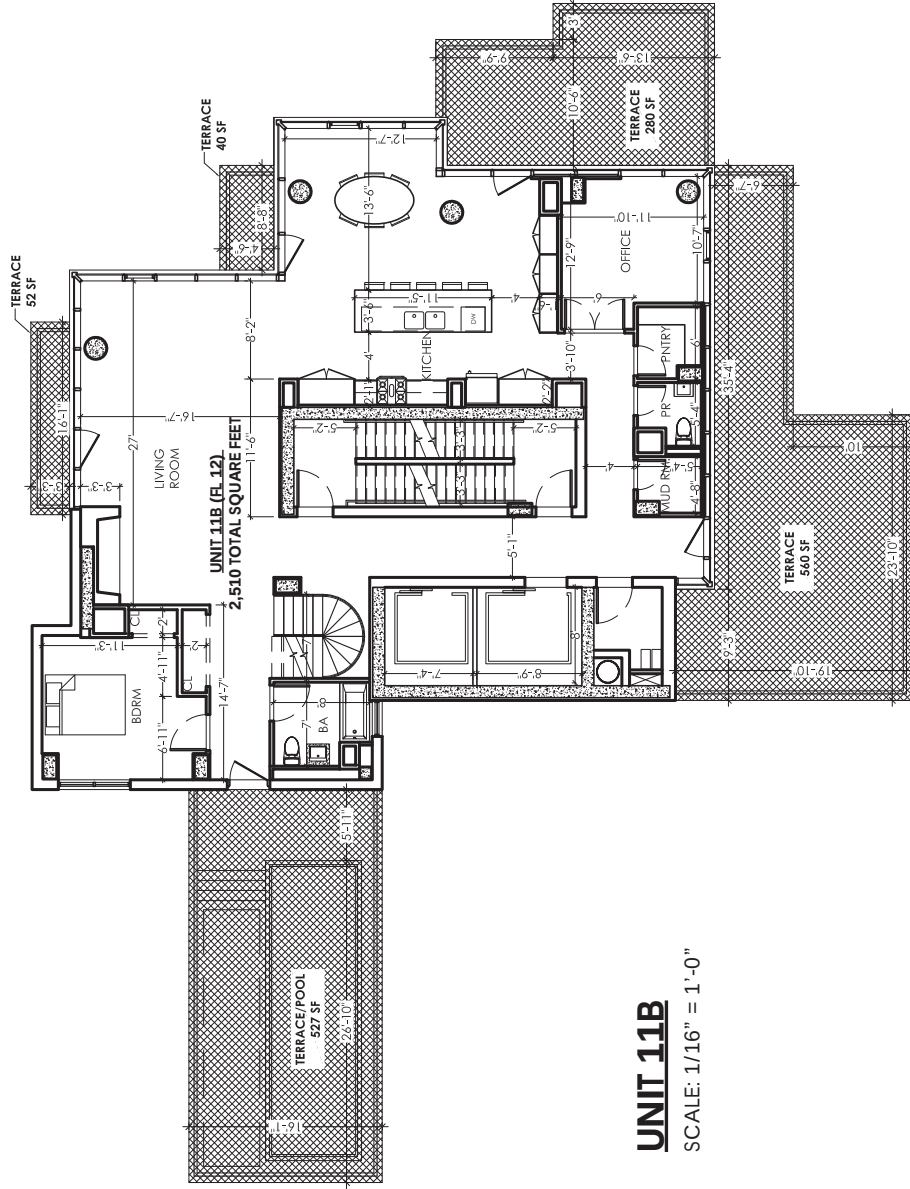
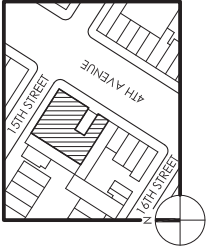
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SITE PLAN



UNIT 11B
SCALE: 1/16" = 1'-0"

LEGEND

- COMMON AREA
- LIMITED COMMON AREA
- RESIDENTIAL
- COMMERCIAL
- UNIT EXTENTS

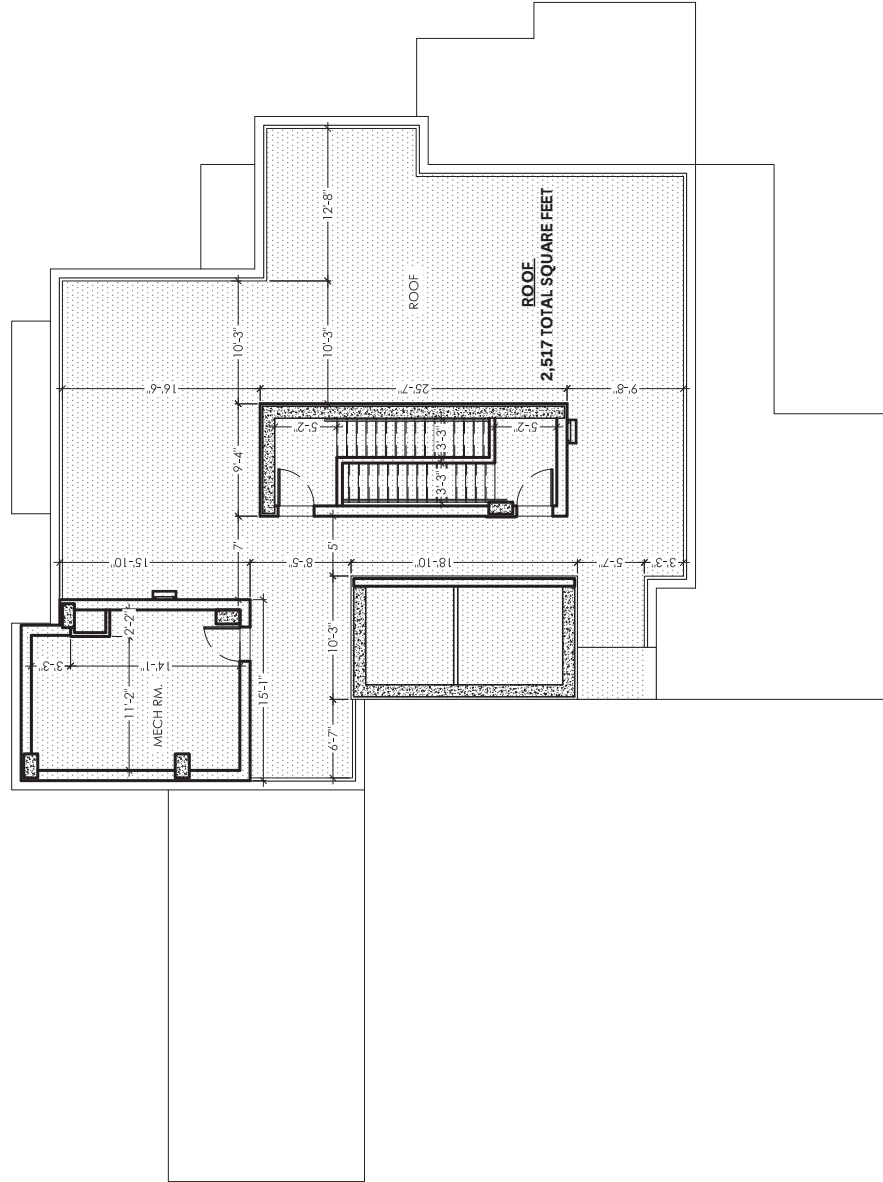
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ROOF	TAX LOT xxxx
RESIDENTIAL AREA	0 SF
LIMITED COMMON ELEMENTS	0 SF
GENERAL COMMON ELEMENTS	2,347 SF
TOTAL	2,347 SF

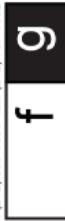
ROOF

SCALE: 1/16" = 1'-0"

LEGEND

- | | | | |
|---|---|---|---|
|  |  |  |  |
| LIMITED COMMON AREA | COMMON AREA | RESIDENTIAL | COMMERCIAL |
|  |  |  | |
| LIMITED COMMON AREA | COMMON AREA | UNIT EXTENTS | |

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554 4TH AVE, BROOKLYN NY

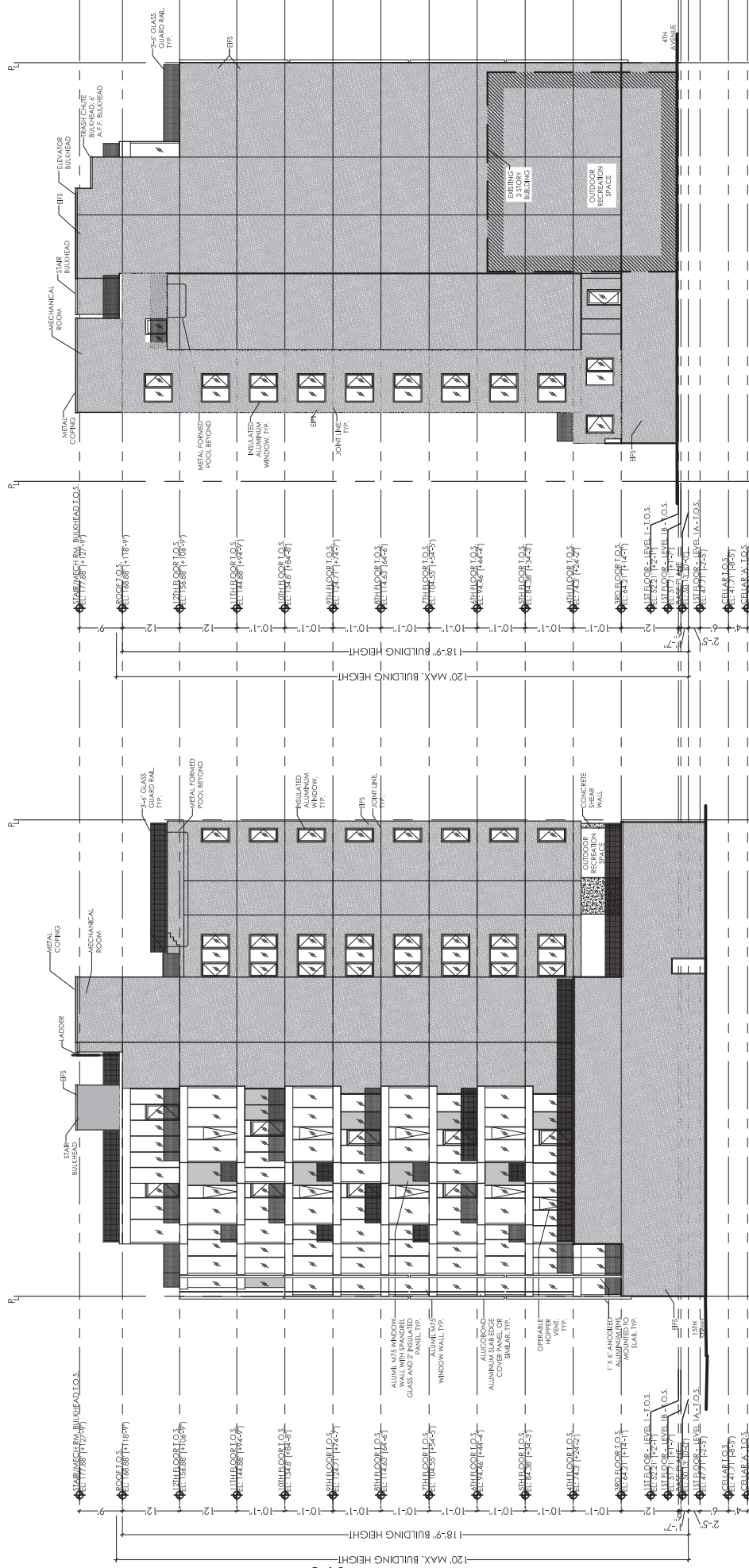
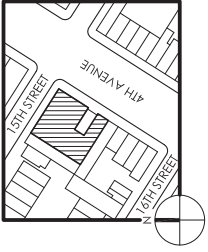
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SITE PLAN



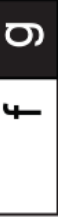
WEST ELEVATION

SCALE: 1/32" = 1'-0"

SOUTH ELEVATION

SCALE: 1/32" = 1'-0"

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118 west 83rd street - new york, ny 10024
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DECLARATION ESTABLISHING A PLAN OF CONDOMINIUM OWNERSHIP OF
PREMISES LOCATED AT 554 4TH AVENUE, IN THE BOROUGH OF BROOKLYN,
COUNTY OF KINGS, CITY AND STATE OF NEW YORK, PURSUANT TO ARTICLE 9-B
OF THE REAL PROPERTY LAW OF THE STATE OF NEW YORK

THE 554 4TH AVENUE CONDOMINIUM

554 4th Avenue
Brooklyn, New York

DECLARANT:

4 AVE BU LLC
308 Malcolm X Boulevard
Brooklyn, New York 11233

DATE OF DECLARATION: _____, 201__

The Land affected by the within instrument lies in Block 1046, F/K/A Lot 37, N/K/A Lots
_____ on the Tax Map of the Borough of Brooklyn, County of Kings, State of New
York.

MARANS WEISZ & NEWMAN, LLC

Attorney(s) for Sponsor
29 Broadway Suite 2400
New York, New York 10006

**DECLARATION OF THE 554 4TH AVENUE CONDOMINIUM
PURSUANT TO ARTICLE 9-B OF THE
REAL PROPERTY LAW OF THE STATE OF NEW YORK**

In the Borough of Brooklyn, County of Kings, and City and State of New York on this ____ day of _____ 201__, 4 AVE BU LLC (the “Owner” or the “Declarant”), a limited liability company existing under the laws of the State of New York, whose office is situated at 308 Malcolm X Boulevard, Brooklyn New York 11233 represented in this Declaration by Boaz Gilad, who is fully empowered to and qualified to execute this Declaration on behalf of the said company does hereby state:

**ARTICLE 1
SUBMISSION OF PROPERTY**

1.1 Declarant hereby submits Declarant’s fee interest in 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 “The 554 4th Avenue Condominium” (the “Condominium”) by recording a Declaration of Condominium with the New York City Register, County of Kings (the “Declaration”).

1.2 Attached to this Declaration and made a part hereof are the By-Laws of the Condominium which set forth detailed provisions governing the operation, use and occupancy of the Condominium (these 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.

1.3 Included in the Property described above is all Declarant’s fee interest in that certain tract, plot, piece and parcel of land (the “Land”) situate, lying and being in the Kings County, City and State of New York, and more particularly described in Schedule A annexed hereto and made a part hereof.

**ARTICLE 2
DEFINITIONS**

“Board of Managers” sometimes also referred to as “Board” or “Managers” shall refer to the individuals elected at the annual meeting of Unit Owners or representatives of the Sponsor that manage the operation of the Condominium.

“Budget Allocation” shall have the meaning ascribed thereto in Article 12 of the Declaration.

“Building” as hereinafter referred to shall be defined as an eleven (11) story building with cellar

known by the street address 554 4th Avenue, Brooklyn, Kings County New York, which consists of the Units and the Common Elements.

“Commercial Unit” shall refer to the Unit designated as a Commercial Unit in this Declaration and the Floor Plans, together with its percentage of Common Interest in the General Common Elements. Two or more of such units are referred to herein as “Commercial Units”.

“Common Charges” shall be defined as all charges assessed by the Board of Managers against the Unit Owners.

“Condominium” as hereinafter referred to shall mean The 554 4th Avenue Condominium that is composed of the Units and the Common Elements, as shown in Schedule B attached to the Declaration.

“Documents” shall refer to Part II of the Offering Plan indicating this Declaration and the By-Laws attached hereto as Schedule C.

“General Common Elements” shall mean those areas intended to be devoted to the common use and enjoyment of all Unit Owners as set forth in Article 4 of the Declaration.

“General Common Interest” shall mean the proportionate undivided interest, expressed as a numerical percentage, of each Unit Owner in the General Common Elements. The total of all General Common Interest percentages appurtenant to all Units equals to 100%.

“Limited Common Elements” shall refer to those Common Elements that a Unit Owner(s) will have the exclusive right to use.

“Mortgagee” shall mean a mortgagee that holds a mortgage on a Unit.

“Owner” or sometimes also referred to as “Unit Owner” shall mean the Owner of each Unit. Every Unit Owner shall be treated for all purposes as a single owner, irrespective of whether such ownership is joint, in common, or tenancy by the entirety, and a Unit Owner’s single vote referred to in paragraph eight of this Declaration.

“Party Wall” as hereinafter referred to shall be defined as a wall that is common to and separates two Units.

“Plan” shall mean the documents submitted to the Office of the Attorney General required in order to be able to sell units in a condominium.

“Registered Guarantor” shall mean a guarantor on a Registered Mortgage who has registered with the Board of Managers by supplying the Board with the name and address of the guarantor.

“Registered Mortgagee” shall mean a mortgagee that holds a mortgage on a Unit that has

provided notice to the Board indicating they hold a mortgage on a Unit which notice has a copy of the mortgage along with contact information for the mortgagee.

“Registered Mortgage” shall mean the mortgage held by a Registered Mortgagee.

“Residential Common Elements” shall mean those portions of the Common Elements intended to be devoted to the common use and enjoyment of all Residential Unit Owners as set forth in Article 4 of the Declaration.

“Residential Common Interest” shall mean the proportionate undivided interest, expressed as a numerical percentage, of each owner of a Residential Unit in the Residential Common Elements. The total of all Residential Common Interest percentages appurtenant to all Residential Units equals to 100%.

“Residential Limited Common Elements” shall mean those portions of the Common Elements intended to be devoted to the exclusive use and enjoyment of one or more but not all of the Residential Unit Owners as set forth in Article 4 of the Declaration.

“Residential Unit” shall mean any of the Residential Units designated as a Residential Unit in this Declaration and the Floor Plans, together with its respective percentage interest in the General Common Elements. All such Residential Units are, collectively, referred to as “Residential Units”.

“Unit” shall mean the floor area of each Unit calculated based on the Floor Plans included in Part II of this Plan. Units are measured horizontally from the exterior side of the exterior walls (columns, mechanical pipes, shafts, shaft ways, chases, chase ways, and conduits are not deducted) to the centerline of the partitions separating one Unit from another Unit, or the exterior of the interior walls and partitions separating a Unit from public corridors, stairs, elevators and other mechanical equipment spaces or any Common Elements not within a Unit. Each Residential Unit consists of the area measured vertically from the top of the concrete floor slab below to the underside of the finished ceiling.

“Unit” and “Unit Owner” as used herein shall be construed to mean Unit and Unit owner as defined in Section 339-e of Article 9-B of the Real Property Law of the State of New York.

“Unsold Unit” Any Unit owned by Sponsor or its designee at the time in question.

ARTICLE 3 DESCRIPTION OF PROPERTY AND IMPROVEMENTS

The Declarant constructed a new building on the parcel of land described above, to be converted to a Condominium known as The 554 4th Avenue Condominium according to the Tax Maps prepared and certified by Feingold & Gregory Architects, P.C., filed simultaneously with the recording of this Declaration in the New York City Register’s Office, which plans set forth a description of the Building, stating the number of stories, the number of

Units and the layout of the Units, Common Elements and Limited Common Elements (the “Floor Plans”).

The Condominium will consist of one building containing a total of forty (40) Residential Units and three (3) Commercial Units as set forth on the Floor Plans filed simultaneously with this Declaration. Each Unit has access to the other Unit or to any other portion of the Condominium by means of hallways and stairways which form a part of the Common Elements of the Condominium. For the purposes of describing the location of the Building, approximate area, type and number of rooms of each Unit and the Common Elements to which each Unit has immediate access, the Units are described in the Floor Plans and on Schedule B hereto. Each Unit will be sold to one or more Owners, each Owner obtaining fee ownership in, and exclusive right of occupancy and possession of the Unit, together with an undivided interest in the Common Elements of the Condominium, as hereinafter set forth in this Declaration, and referred to as “the Common Elements,” all in accordance with Article 9-B of the Real Property Law of the State of New York. The designation of the number of rooms, interior partitions and kitchen and bathroom facilities in a Unit may be changed by mutual consent of the Sponsor (which for the purposes herein is the Declarant) and a Unit Owner and reflected in an amendment to the Declaration.

The Condominium has a total land area of 7,909.6 square feet.

ARTICLE 4 COMMON ELEMENTS

4.1. General Common Elements. The General Common Elements include those portions of the Building that are designated as “General Common Elements” on the Floor Plans, and to the extent not specifically identified as such, all other parts of the Property (other than those areas and items specifically identified as part of a Unit) the common use of which serves or benefits all of the Units and Unit Owners and is necessary or convenient for the existence, maintenance, operation or safety of the Property. Without intending to limit the generality of the foregoing in any respect, the General Common Elements include:

- (a) the Land, together with all easements, rights and privileges appurtenant thereto (except as otherwise expressly provided in this Declaration);
- (b) all sidewalks, fences, and landscaped areas benefiting any General Common Element, or all of the Unit Owners and Units, and not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit;
- (c) all structural elements, foundations, foundation walls, footings, columns, girders, beams, supports, interior load-bearing walls, floor slabs (but not flooring material), and ceilings and floors separating the Residential Units from a Commercial Unit or Commercial

Units, exterior walls and facades (but not including windows);

- (d) any ventilation system consisting of pumps, motors, ductwork, fans and controls, steam and condensate return piping, serving or benefiting all of the Units Owners and the Units and not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit, except that all systems servicing a Commercial Unit are part of such Unit;
- (e) all electrical risers, feeders, lines and equipment, including incoming service, main switchgear and distribution panelboards, conduits, wires, meters, and transformers serving or benefiting any General Common Element, or all of the Unit Owners and the Units and not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit, except that all such equipment servicing a Commercial Unit are part of such Unit;
- (f) all storm and sanitary sewer equipment and pipes (including vent lines, ejectors, interceptors, filters and valves) downspouts, and roof drainage systems, excluding, however, all such items located within a Unit and serving only that Unit or designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element;
- (g) all electric service rooms, gas, steam and water meter rooms, telephone rooms, and other service, mechanical and utility rooms serving or benefiting any General Common Element, or all of the Unit Owners and the Units and not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit;
- (h) all other facilities of the Building (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the General Common Elements, or all of the Unit Owners and the Units and not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit;
- (i) enclosing walls and doors surrounding mechanical equipment which serve or benefit or are necessary or convenient for the existence, maintenance, operation or safety of the General Common Elements, or all of the Unit Owners and the Units and not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit;
- (j) all utilities and mechanical and electrical transfers and equipment, and vaults for such utilities used for the General Common Elements or all of the Units Owners and the Units and not otherwise designated as a Residential Common Element, a Residential Limited

Common Element or a Limited Common Element, or a part of a Unit;

- (k) portions of the cellar housing equipment servicing all the Units and not allocated as a Residential Common Element, Limited Common Element or a Residential Limited Common Element or part of a Unit;
- (l) portions of the roof housing equipment servicing all the Units (but not including the equipment), or shown on the Floor Plans as General Common Elements, or not allocated as a Residential Common Element, a Limited Common Element or a Residential Limited Common Element or a part of a Unit, except, however, that any equipment located therein that services solely the Commercial Units shall be the responsibility of the Commercial Unit Owners to repair, replace and maintain; and
- (m) whether or not specifically identified as part of the General Common Elements (or identified at all) on the Floor Plans, all other parts of the Property either existing for the common use of all of the Unit Owners and Units, or that are necessary or convenient for the existence, maintenance, operation or safety of the Property not otherwise designated as a Residential Common Element, a Residential Limited Common Element or a Limited Common Element, or a part of a Unit.

4.2. Residential Common Elements. The Residential Common Elements consist of those portions of the property designated on the Floor Plans as Residential Common Elements, and also those Common Elements (other than vertical shaftways and penetrations) which exclusively serve or benefit only the Residential Units or the Residential Unit Owners whether or not designated as Residential Common Elements (or designated at all) on the Floor Plans (but excluding any items therein or in the Building which are not part of the Property, including, without limitation, any equipment, wiring and devices owned by telecom providers). The Residential Common Elements include, without limitation, the following:

- (a) entrances, exits, and lobby which exclusively serve or benefit the Residential Units;
- (b) all stairs, stairways and fire stairways, halls, passages, corridors, storage rooms, housekeeping areas, mechanical and other rooms, areas and spaces (including their respective floors, ceilings and enclosing walls) which exclusively serve or benefit the Residential Units and are not part of any other Common Element or Unit;
- (c) all security monitors and equipment and other security facilities, virtual doorman, or other low voltage system which serve or benefit only the Residential Unit;
- (d) all passenger elevators and elevator shafts and equipment which exclusively serve or benefit the Residential Unit and are not part of any other Common Element or Unit;
- (e) all masonry walls, partitions, floors and ceilings, including fire rated separations, in, on or

under the Building, separating a Residential Unit from another Residential Unit, or a Residential Common Element from another Residential Common Element, and that portion of all such masonry walls, partitions, floors and ceilings separating a Residential Common Element from a General Common Element or a Commercial Unit, from the midpoint of any such wall, partition, floor or ceiling to the boundary line of such Residential Common Element;

- (f) any landscaped areas of the Property, and any fences surrounding such area, which serve or benefit only the Residential Units or the Residential Unit Owners;
- (g) all areas where plumbing, pipes, vents, flues and/or risers and equipment exclusively serving the Residential Units is located, but not including areas located within a Residential Unit or the Community Facility Unit and all HVAC systems, pipes, flues, risers, vents and ducts, which are part of the Units they serve;
- (h) any portions of the cellar designated on the Floor Plans as Residential Common Elements, including but not limited to storage bins allocated for use by the Residential Unit Owners;
- (i) any portions of the roof designated on the Floor Plans as Residential Common Elements; and
- (j) whether or not specifically identified as part of the Residential Common Elements (or at all) on the Floor Plans, all other parts of the Property and all telecommunications equipment and all other systems, installations and facilities (including shafts, pipes, wires, ducts, vents, flues, cables, conduits and lines) and equipment on the Property (other than those areas and/or items specifically identified on the Floor Plans or herein as part of a Unit and/or to the General Common Elements) which serve or benefit or are necessary or convenient or existing for the common use, existence, maintenance, operation or safety of the Residential Units or the Residential Unit Owners.

4.3. Residential Limited Common Elements. The Residential Limited Common Elements consist of all portions of the Land and Building that are delineated on the Floor Plans as constituting Residential Limited Common Elements, and that are for the use of one or more specified Residential Units to the exclusion of all other Units. Without intending to limit the generality of the foregoing in any respect, the Residential Limited Common Elements include:

- (i) a terrace or terraces allocated to Units 3C, 3D, 4C, 4D, 5C, 5D, 6C, 6D, 7C, 7D, 8C, 8D, 9C, 9D, 10A, 10B, 11A and 11B; and
- (ii) the swimming pool on the terrace appurtenant to the Unit 11B.

Notwithstanding anything to the contrary contained in this Declaration or the By-

Laws, the repair, maintenance, renovation and restoration of the exterior surface of such terraces and balconies (e.g., decking, pavers and other materials wholly or partially covering the upper structural surface of such terraces and balconies) and the railings attached to such terraces and balconies and the membrane thereunder and any structural or extraordinary repairs or replacements to such terraces and balconies shall be performed by the Board and the cost thereof shall be charged solely to the Residential Unit Owners and not the Commercial Unit Owners.

4.4. No Division of Common Elements. The Common Elements shall remain undivided and no Unit Owner shall bring any action for partition or division unless otherwise provided by law. Each Unit Owner shall have the right to use the Common Elements, other than such portion, if any, which are by the terms of this Declaration or the annexed By-Laws irrevocably restricted in use to other Unit Owners, in accordance with the purpose for which such elements are intended, without hindering the exercise of or encroaching upon the rights or other Unit Owners.

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

ARTICLE 5 USE OF BUILDINGS AND UNITS

5.1 As more particularly set forth in the By-Laws, the Residential Units may be used for residential purposes only and “home occupation” uses as defined in Section 12-10 of the Zoning Resolution of the City of New York. Residential Units may only be leased in accordance with the By-Laws and the Rules and Regulations.

5.2 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 Board, (1) grant permission for the use of any Unsold Unit owned by it as a professional office or for any other purpose, provided such use is permitted by Law, and does not violate the existing certificate of occupancy for such Unit or any other governmental regulations and (2) use any Unsold Unit 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 Law.

5.3 The Commercial Units may be used for any purpose consistent with the Certificate of Occupancy, or for any lawful purposes. It is anticipated that the Commercial Units will be used for retail purposes. The Commercial Units may not be used for (1) any illegal or pornographic purposes, or (2) any commercial establishment in which are provided sex related activities consisting of nude or semi-nude live performances, sex club, massage parlor, adult bookstore, peep shows, or (3) homeless shelter, or (4) a drug or alcohol rehabilitation facility.

ARTICLE 6

CHANGES TO THE UNITS

6.1. General.

6.1.1 Any alterations or changes to the Building or the Units other than those changes set forth in the Tax Lot Drawings and the Plans (“Alterations”) shall be subject to the restrictions set forth in this Declaration and the By-Laws. All work must be performed pursuant to applicable law, and by licensed and insured contractors. The Commercial Unit Owners shall have the right to veto any proposed Alteration that would have a material and adverse effect on the Commercial Units. The Board shall have the right to object any proposed Alteration that would have a material and adverse effect on the Residential Units or the Residential Common Elements. The Board shall have the right to object any Alteration that materially and adversely affects any structural elements of the Building, any Building systems that serve other Units, or the Common Elements. Any disputes pursuant to this Section 6.1.1 that cannot be amicably resolved shall be resolved by arbitration as more fully described in Article 33 of this Declaration.

6.1.2 Any Alterations to be made by any Unit Owner that affects, in any material aspect, the façade of the Building (other than signage and storefronts on the ground floor of the Building) or the structural elements of the Building, shall be subject to the prior consent and approval of the Board, which shall not be unreasonably withheld, conditioned or delayed.

6.1.3 Whenever a Unit Owner is permitted, pursuant to the terms of this Article 6, to make Alterations or other changes to its Unit, or to apply to a government agency with respect to the use or Alteration of its Unit without the prior written consent of the other Unit Owners or the Board, such Unit Owner shall provide the Board and the other Unit Owners with written notice at least ten (10) business days prior to commencing such Alteration or submitting such application. The Board shall have ten (10) business days to provide a written objection to any Alteration which would materially and adversely affect the Building, any of the Common Elements, or any of the Units. If the Board does not object within the time period set forth in the preceding sentence, the Board shall be deemed to have no objections to the proposed Alteration.

6.1.4 Declarant shall not be responsible for any Alterations to the General Common Elements or the Residential Common Elements performed by the Board after the Sponsor Control Period.

6.2 Residential Units

6.2.1. Except to the extent prohibited by applicable Laws, Declarant, its respective designees and any other owner of an Unsold Unit shall have the right pursuant to the terms of the Condominium By-Laws, as the same may be amended from time to time, without the approval of the Condominium Board, or any other Unit Owner or any Person to: (a) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon any Unsold Unit; (b) change the layout of, or number of rooms in, any Unsold Unit; (c) change the size and/or number of Unsold Units by subdividing one (1) or more such Units into two (2) or more separate Units, combining separate Unsold Units into one (1) or more Units, altering any boundary walls between Unsold Units, and/or

incorporating within any Unsold Unit the use of any portion of the Common Elements adjacent thereto (but only to the extent that such Common Elements are not required to be maintained as Common Elements based upon such alteration); (d) if appropriate, reapportion among the Unsold Units affected by such change, their Common Interests, provided, however, that after the recording of the Declaration, no change in any Residential Units Common Interest will be made without obtaining the prior consent of sixty-seven percent (67%) of the Residential Unit Owners in number and in Common Interest and fifty one percent (51%) of the Permitted Mortgagees affected by such change; (e) change the permitted use of some or all of the Unsold Units and (f) to create additional Storage Units. None of the foregoing changes will be made unless such changes are in compliance with Section 339 of the New York Condominium Act. Further, no change shall be made to the Residential Units or their respective General Common Interest without the prior written consent of a Commercial Unit Owner if such change would materially and adversely affect said Commercial Unit, or would alter the General Common Interest percentage of said Commercial Unit or the Budget Allocation. The Declarant, or other such owner of an Unsold Unit, as the case may be, shall have the right, without the consent of the Board, Unit Owner or person to amend the Declaration, the Condominium By-Laws and the Floor Plans and any other documentation to reflect the foregoing changes. Any Alterations by a Residential Unit Owner shall require the consent of the Board, provided, however, that any Alterations that do not have a material adverse effect on a Commercial Unit shall not require the consent of the Commercial Unit Board Member.

6.2.2 Residential Unit Owners (other than Declarant) may not make any Alterations to their Unit without the prior written consent of the Board. Furthermore, Residential Unit Owners (other than the Declarant) may not apply for any permits for construction work in a Residential Unit until after a Final Certificate of Occupancy has been issued for the Building.

6.3 Commercial Units

The Commercial Unit Owner(s) has certain special rights under the Declaration. Except to the extent inconsistent with the By-Laws or prohibited by Law, and unless there shall be a material adverse effect on the Residential Unit Owners, each Commercial Unit Owner shall have the right, without the vote or consent of the Board of Managers to: (1) make alterations, additions or improvements, whether structural or non-structural, interior or exterior, ordinary or extraordinary, in, to and upon their Commercial Unit; (2) change the layout or number of rooms in the Commercial Unit from time to time; (3) change the Commercial Unit, by subdividing the same, into any desired number of Condominium Units, combining any of the Commercial Unit or combining any units resulting from a subdivision, altering the boundary walls between the Commercial Unit, or otherwise; (4) designate all or part of a Commercial Unit as a newly created Commercial Common Element; (5) reapportion among the newly created Commercial Unit or Commercial Units resulting from any subdivision, combination or otherwise their percentage interests in the Common Elements which shall 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; provided that in no case may such reapportionment result in a greater percentage of Common Interest for the total of the new Commercial Unit than

existed for the original Commercial Unit; and (6) amend the Certificate of Occupancy with respect to the Commercial Unit (any such amendment to be at the sole cost and expense of the Unit Owner of the Commercial Unit in question) to provide that such Commercial Unit may be used for any purpose which is lawful at the time that such amendment is made. The Commercial Unit Owner may not file an amendment to this Declaration with respect to the Commercial Unit authorized by this paragraph without notice to the Board of Managers, and any amendment that shall have a material impact on any Residential Unit or any other Commercial Unit shall require the consent of the Board of Managers.

ARTICLE 7 IRREVOCABLY RESTRICTED AREAS

The Residential Common Elements are restricted in use to Residential Unit Owners, their tenants, invitees and licensees only, except as otherwise set forth in this Declaration. The Residential Limited Common Elements are restricted in use to the owners of the Residential Units to which they are appurtenant, except as otherwise set forth in this Declaration. The Commercial Common Elements are restricted in use to the Commercial Unit Owners, except as otherwise set forth in this Declaration.

ARTICLE 8 EASEMENTS

8.1. Board Easement to Operate and Maintain the General Common Elements. The Board shall have, and each Unit shall be subject to, an easement and a right of access:

- (a) to operate, maintain, repair, alter, rebuild, prevent or minimize damage to, and cause to be in compliance with any applicable laws and insurance requirements, the General Common Elements;
- (b) to install, operate, maintain, repair, alter and rebuild the General Common Elements located in, over, under, through or upon any Unit or elsewhere on the Property; and
- (c) to maintain any encroachment on any Unit, resulting from the repair, alteration or rebuilding of the General Common Elements.

Access to any Unit, the General Common Elements or the Residential Common Elements in furtherance of such easement shall be exercised in such a manner as will not interfere, to the extent commercially reasonable, with the normal conduct of business of the tenants and occupants of the Commercial Units or with the use of the Residential Units or the Commercial Units for their permitted purposes, and, to the extent possible and permitted by applicable Law, be performed after the Commercial Units' business hours. Such entry shall be permitted on not less than two (2) days' notice to the Residential Unit Owners and five (5) business days' notice to the Commercial Unit Owners, except that no notice will be necessary in the case of an emergency.

8.2. Ingress and Egress. Each Unit Owner, permitted tenants and occupants of the Building, the Building managing agent, the sales agent employed by the Declarant, and all other officers, partners, employees, agents, guests, invitees and licensees of the foregoing shall have, to the extent reasonably necessary, in common with all other Unit Owners, an easement for ingress to and egress from their Unit. Each Unit shall be subject to such easement. Notwithstanding the foregoing, however, no person shall use or enjoy the General Common Elements except in accordance with the reasonable purposes for which they are intended, and without encroaching upon the rights of other persons to do so. In furtherance of the foregoing, the Board may establish rules and regulations governing access to the General Common Elements and the Residential Common Elements.

8.3. Utilities.

8.3.1 The Declarant shall have the absolute right (without any obligation to obtain the consent of the Board or any other Unit Owner or other part except as required by law) to grant such additional electric, gas, steam or other utility easements or relocate any existing utility easements in any portion of the Property as Declarant or the Unit Owner, as the case may be, shall deem necessary or desirable for the proper operation and maintenance of the Building or any portion thereof, or for the general health or welfare of the owners, tenants, and occupants of the applicable Units, provided that such additional utilities or the relocation of existing utilities will not, to the extent commercially reasonable, interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or the permitted use of the Commercial Units by the Commercial Unit Owners or the Residential Units, or reduce the square footage of any Commercial Unit, and, to the extent possible and permitted by applicable Law, be performed after the Commercial Units' or their tenants' business hours. Any utility company and its employees and agents shall have the right of access to any Unit or the Common Elements in furtherance of such easement, provided such right of access shall be exercised in such a manner as shall not, to the extent commercially reasonable, reduce the usable square footage of the any Unit interfere with the normal conduct of business of the tenants and occupants of the Commercial Units or the Residential Units. Such entry shall be permitted on not less than two (2) days' notice to the Board with respect to the Residential Units and five (5) business days' written notice with respect to the Commercial Units, except that no notice will be necessary in the case of an emergency.

8.3.2 Each Unit Owner, for its benefit, shall have an easement to, and may, without the prior consent of the Board, the Declarant or other Unit Owners but subject to the provisions of this Declaration pertaining to Alterations: (i) install, operate, maintain, repair, alter, rebuild, restore and replace its respective Units, and any pipes, wires, ducts, flues, vents, cables, conduits or other lines, equipment or facilities forming a part of or relating to the Unit, located in, over, under, through or upon the General Common Elements; and (ii) install pipes, wires, ducts, flues, vents, cables, conduits or other lines, equipment or facilities in connection with the design, construction, use, operation and/or occupancy of such Unit in, over, under, through or upon the General Common Elements, including but not limited to, penetrating floor slabs; provided that access to the General Common Elements or other portions of the Property in furtherance of such easement shall be exercised in such a manner as will not, to the extent commercially reasonable, interfere with the use of the General Common Elements and such other portions of the Property for their permitted purposes or affect the structural integrity of the Building. A Unit Owner shall provide the Board with prior written notice at least fifteen (15)

business days prior to filing any applications with the applicable government authorities to perform such work, including the Department of Buildings. The relocation of any pipes, wires, ducts, flues, vents, cables, conduits, or other lines, equipment or facilities after the Building obtains a Temporary Certificate of Occupancy shall require the prior written consent of the Condominium Board. Notwithstanding anything to the contrary contained in this Section 8.3.2, any easement granted pursuant to this Section 8.3.2 shall be exercised in such a manner as will not, to the extent commercially reasonable, interfere with the normal conduct of business of the tenants of the Commercial Units or with the use of the Commercial Units for their permitted purposes or reduce the square footage of any Commercial Unit, and, to the extent possible and permitted by applicable Law, shall be performed after the business hours of the Commercial Units or their tenants.

8.3.3 To the extent any filings with the New York City Department of Buildings or other municipal agency is necessary for the foregoing or the consent or signature of the Board is required on any documents, the Board shall cooperate with respect to the same by timely executing the same, provided all associated expenses are paid by the Declarant or the Unit Owner making such alterations.

8.4. Repairs and Maintenance.

8.4.1 All Unit Owners shall have access through all General Common Elements to make repairs and installations, provided that in non-emergency situations the Unit Owners shall notify the Board of their intent to work on equipment servicing these units and conduct such work in a manner designed to cause the minimum amount of disturbance to other Unit Owners and, to the extent commercially reasonable, not interfere with the use of the Residential Units or the Commercial Units for their permitted purposes or reduce the square footage of any Commercial Unit, and shall not be performed without at least two (2) days written notice to the Residential Unit Owners, and five (5) business days' written notice to the Commercial Unit Owners and, to the extent possible and permitted by applicable Law, be performed after the business hours of the Commercial Units or its tenants.

8.4.2 The Commercial Unit Owners, its employees, agents and contractors shall have access to the Residential Common Elements for the purpose of installing, repairing, replacing and effecting repairs to the Commercial Units, and/or any equipment servicing the Commercial Units located on the roof or in the cellar or any other location in the building. In the event of a non-emergency, such a Commercial Unit Owner shall notify the Board and the Residential Unit Owners if applicable of its intent to work on equipment servicing the Commercial Unit and conduct such work in a manner designed to cause the minimum amount of disturbance to the Residential Unit Owners. Such entry shall be permitted on not less than five (5) business days' notice to the Board, except that no notice will be necessary in the case of an emergency. The Commercial Unit Owner shall pay all reasonable out-of-pocket expenses incurred by any Residential Unit Owner and/or the Board as a result of the exercise of such right of access.

8.4.3 The Residential Unit Owners, and their employees, contractors and invitees shall have access through the Commercial Units solely for the purpose of installing, repairing, replacing and/or effecting repairs to the Residential Common Elements or Residential Limited Common Elements. In the event of a non-emergency, the Residential Unit Owners shall

notify the Board and the Commercial Unit Owners as applicable of their intent to work on equipment servicing the Residential Common Elements or Residential Limited Common Elements which require access through the Commercial Units, and conduct such work in a manner designed to cause the minimum amount of disturbance to the Commercial Unit Owners and, to the extent commercially reasonable, not interfere with the use of the Commercial Units for its permitted purposes and, to the extent possible and permitted by applicable Law, be performed after the business hours of the Commercial Unit Owners or their tenants. Such entry shall be permitted on not less than five (5) business days' notice to the Board, except that no notice will be necessary in the case of an emergency.

8.4.4 Access shall be permitted through any portion of the Building in the event of an emergency.

8.4.5 All work to be performed pursuant to this Section must be performed by licensed and insured contractors, and in accordance with applicable Law.

8.5. Subjacency, Support and Necessity. Each Unit and the Common Elements shall have easements of subjacency, support and necessity, and the same shall be subject to such easements in favor of all the other Units and the Common Elements.

8.6. Perpetual and Irrevocable. Except as may otherwise be set forth in this Declaration, any easement created or granted hereunder shall be perpetual and irrevocable for so long as the Condominium shall remain in existence.

ARTICLE 9 SERVICE OF PROCESS AND BUILDING CODE VIOLATIONS

Service of process on the Unit Owners in any action with relation to the Common Elements or more than one Unit shall be made upon the Board of Managers of The 554 4th Avenue Condominium, at the office of the Secretary of State of the State of New York in the manner provided by applicable law. The Board of Managers shall have the principal responsibility for curing any violations of such building or zoning laws and service upon the Board of Managers shall be deemed service upon the Owner or Owners of the Condominium Unit or Units in which any such violations exist. The provisions of this Article shall not be amended without the consent of the Department of Buildings or any City agency successor thereto.

ARTICLE 10 COMMON INTEREST

Each Unit Owner shall have such percentage interest in the Common Elements as is set forth on Schedule B attached hereto and shall bear such percentage of the Common Expenses of the Condominium. Each Unit Owner shall have one (1) vote per .01% of Common Interest held by the Unit Owner for all voting purposes at any meeting of the Unit Owners unless otherwise mandated by law or expressly provided for herein. The percentage of interest of each

Unit in the Common Elements has been determined by the Declarant based upon floor area subject to the location of such space and additional factors of relative value of such space to other space in the Condominium, uniqueness of the Unit, the availability of Common Elements for exclusive or shared use and the overall dimensions of the particular Unit. The percentage interest of all of the Units in the Condominium totals one hundred percent (100%).

ARTICLE 11 ADMINISTRATION

The administration of the Condominium shall be in accordance with the provisions of this Declaration and with the provisions of the By-Laws, which are made a part of this Declaration and are attached hereto as Schedule C.

ARTICLE 12 AMENDMENT AND WITHDRAWAL

The Property shall not be withdrawn from Condominium ownership unless sixty seven percent (67%) of the Unit Owners in number and fifty-one percent (51%) of the Registered Mortgagees first agree to such removal by duly recorded instruments. Such withdrawal of the property from Condominium ownership shall not take effect until it is duly recorded in the Office of the Clerk of the County of Kings. The provisions of this Declaration can be materially amended by an instrument executed by the Board of Managers upon a vote of sixty-seven percent (67%) of the Unit Owners in number and, if such a change would have a material adverse impact on Registered Mortgagees, fifty one percent (51%) of the Registered Mortgagees, provided however, that:

(i) No amendment shall alter the percentage in the Common Elements appurtenant to any Unit or alter any rights or obligations respecting the Common Elements without the consent of the affected Unit Owners and the Registered Mortgagees holding a mortgage on the Unit.

(ii) No amendment shall add any parcel of land to or divest any parcel of land from the Condominium properties unless sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty one percent (51%) of the Registered Mortgagees agree to such change.

Any amendment to this Declaration shall not take effect until it is recorded in the Office of the Clerk of Kings County.

Notwithstanding anything to the contrary stated sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty one percent (51%) of the Registered Mortgagees must consent to any change in the Plan, By-Laws or Declaration (the "Documents")

that would have a material impact on:

- (a) Voting
- (b) Assessments
- (c) Priority of liens
- (d) Reserves for maintenance or replacement
- (e) Insurance or fidelity bond requirements
- (f) Rights to use of common elements
- (g) Responsibility for maintenance and repair for the Condominium
- (h) Expansion or contraction of the Condominium
- (i) Boundaries of any Unit
- (j) Common Interests
- (k) Conversion of Units into Common Elements or vice versa
- (l) Leasing of Units
- (m) Change in right of first refusal requirements
- (n) Establishment of self management
- (o) Any provision of the Documents which are for the express benefit of Registered Mortgagees

Registered Mortgagees holding mortgages on Units that constitute a majority of the common interests (except where noted otherwise) of the Units that are subject to Registered Mortgages must consent to: (ii) any restoration or repair of the Building after a partial condemnation or damage due to an insurable hazard which is not done in accordance with the Documents (iii) any election to terminate the Condominium after substantial destruction or substantial taking in a condemnation said consent to be given by fifty-one percent (51%) of the Registered Mortgagees; and (iv) any reallocation of common interests resulting from a partial condemnation or destruction.

A written notice will be sent certified or registered mail with a “return receipt” requested to Registered Mortgagees and Registered Guarantors notifying them of any material change to the Documents listed in this Article Twelfth.

Approval or consent to any change to the Documents by a Registered Mortgagee will be implied if the Registered Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a “return receipt” requested.

Any provision of this Declaration benefiting, protecting or otherwise affecting only the Residential Units, the Residential Common Elements, and/or the Residential Limited Common Elements may be added to, amended, modified or deleted without the consent of the Commercial Unit Owners or the Registered Mortgagee of any Commercial Unit, provided the required percentage of Residential Unit Owners and their Registered Mortgagees have consented.

Any provision of this Declaration benefiting, protecting or otherwise affecting only the Commercial Units or the Commercial Unit Owners may be added to, amended, modified or deleted with the consent of all Commercial Unit Owners affected.

If (a) the number of rooms in any Commercial Unit or the size of any Commercial Unit is changed and the percentage interest in the Common Elements appurtenant to such Commercial Unit belonging to the Owner causing such change is reapportioned among any newly created Commercial Condominium Units resulting from any subdivision of a Commercial Unit, any combining of a Commercial Unit or of any units resulting from a subdivision, any alteration of the boundary walls between Commercial Units, or otherwise, or (b) a Commercial Unit Common Element is designated as part of a newly created Commercial Unit or all or part of a Commercial Unit is designated as a newly created Commercial Common Elements, all in accordance with Article 12 hereof, then the Commercial Unit Owner shall have the right to execute, or (upon request) to require the Board of Managers 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 (the Commercial Unit Owners or) the Condominium Board deems appropriate to effectuate the same) reflecting (i) such change in the number of rooms in or size of any Commercial Unit, the subdivision of a Commercial Unit into separate Commercial Units, the combination of a Commercial Unit or of any newly created Commercial Units resulting from a subdivision, the alteration of boundary walls between Commercial Units, or otherwise, and the reapportionment of the percentage interests in the Common Elements among such newly created Commercial Units, or (ii) such designation of a Commercial Common Element as part of a newly created Commercial Unit or such designation of part of a Commercial Unit as a newly created Commercial Common Element, all without the approval of the Board, the Residential Unit Owners or the Residential Mortgage Representatives, if any; provided, however, that the Commercial Unit Owner shall provide prior written notice of the same to the Board. 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.

Amendments, modifications, additions or deletions of or to this Declaration, the By-Laws and the Rules and Regulations may be necessary, appropriate or desirable in connection with the operation of a Commercial Unit or with the subdivision, combination or alteration of a Commercial Unit, or of any newly created Commercial Units and/or the offering for sale or lease of all or any portion of a Commercial Unit. In connection therewith, the Commercial Unit Owner may cause this Declaration, the By-Laws and the Rules and Regulations to be so amended, modified, added to or deleted from and the resulting provision thereof may be similar or dissimilar to those affecting the Residential Units and Residential Unit Owners; provided such amendment does not have an adverse effect on the Residential Unit Owners. In the case of any such amendment, modification, addition or deletion which does not adversely affect the Residential Unit Owners, the Condominium Board shall be the attorney-in-fact for the Residential Unit Owners, coupled with an interest for the purpose of approving and executing any instrument effecting such amendment, modification, addition or deletion.

Notwithstanding anything to the contrary contained in this Article 12 or elsewhere in this Declaration or the By-Laws, the written consent of a Commercial Unit Owner shall be required with respect to any amendment to the Declaration and/or the By-Laws which shall have a material and adverse effect on the use of said Commercial Unit for its permitted purposes or

shall change the Budget Allocation.

ARTICLE 13
SUBJECT TO DECLARATION, BY-LAWS, etc.

All present or future Unit Owners, tenants, future tenants, or any other person that might use the facilities of the Condominium in any manner, are subject to the provisions of this Declaration, the By-Laws and Rules and Regulations of the Condominium and the mere acquisition or rental of any of the Units shall signify that the provisions of the Declaration and the By-Laws and Rules and Regulations of the Condominium are accepted and ratified 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, conveyance or lease thereof.

ARTICLE 14
COMMON CHARGES

The Board of Managers shall have the authority, pursuant to the By-Laws to fix and determine the amounts necessary or adequate for the operating of the Condominium, and allocate and assess such sums every year amongst the Unit Owners on the basis of usage in accordance with the percentages set forth in the Budget Allocation instead of based on Common Interest percentage, as permitted by the Condominium Act (and more specifically, in compliance with Section 339(m) of the Real Property Law), unless there exists a demonstrated change in usage with respect to such line item. The Board may not modify such allocations or add new line items, other than line items which pertain solely to the Residential Units and Residential Common Elements, and are the sole obligation of the Residential Unit Owners, without the prior written consent of the Board member designated by the Commercial Unit Owners.

All sums assessed as Common Charges by the Board of Managers of the Condominium but unpaid, together with interest at the maximum legal rate thereon, chargeable to any Unit Owner shall constitute a lien on his Unit prior to all other liens except: (a) tax or assessment liens on the Unit by any governmental taxing authority, including but not limited to, State, County, and City taxing agencies, if any; and (b) all sums unpaid on any mortgage of record encumbering any Unit. Such lien may be foreclosed when past due in accordance with the laws of the State of New York by the Condominium in like manner as a mortgage on real property, and costs incurred including reasonable attorney's fees (but such right shall not be a lien against the Unit). In the event the proceeds of the foreclosure sale are not sufficient to pay such unpaid Common Charges, the unpaid balance shall be charged to all Unit Owners as a Common Expense. However, the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale, his successors or assigns, shall not be liable and the Unit shall not be subject to a lien for the payment of Common Charges chargeable to such Unit which were assessed and became due prior to the acquisition of title to such Unit by such acquirer. In such event, the unpaid balance of Common Charges shall be charges to all other Unit Owners as a

Common Expense. The term “institutional mortgage” used herein shall mean a mortgage granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, real estate investment trust, real estate mortgage investment conduit, agency of the United States Government or of the City or State of New York, or other similar institutional lender or a purchase money mortgage granted by the Seller or any entity not included within any of the foregoing that is regularly engaged in the business of making, owning or servicing mortgage loans.

Every Unit Owner shall pay the Common Charges assessed against his Unit when due and no Unit Owner may exempt himself from liability for the payment of his Common Charges by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of his Unit. However, no Unit Owner shall be liable for the payment of any Common Charges accruing subsequent to a sale, transfer or other conveyance by him of such Unit made in accordance with Section 339-x of the Real Property law or in accordance with the provisions of this Declaration and the By-Laws.

ARTICLE 15 UNITS ACQUIRED BY THE BOARD

In the event any Unit Owner shall convey his Unit to the Board of Managers in accordance with Section 339-x of the Real Property Law or in the event the Board of Managers shall purchase any Unit at a foreclosure sale in accordance with Article IX of the By-Laws, title to such Unit or the rights to the lease of such Unit shall be held by the Board of Managers or its designee on behalf of all of the other Unit Owners.

In order to carry out the provisions of this paragraph, each Unit Owner shall, upon taking title to his Unit, grant an irrevocable power of attorney coupled with an interest, to the Board of Managers and their successors to acquire title or lease any such Unit under whatever terms the Board may, in its sole discretion, deem proper and to sell, lease, sublease, mortgage, vote or otherwise deal with such Unit under such terms as the Board, in its sole discretion, shall deem proper.

ARTICLE 16 ENCROACHMENTS

The Unit Owners agree that if any portion of a Unit or the Common Elements (whether restricted in use to an individual Unit Owner or not) encroaches upon another or shall hereafter encroach upon another as a result of original construction or settling of the Building, a valid mutual easement for the benefit of said Unit Owners, for the encroachment and the maintenance of the same, so long as it stands, shall and does exist. In the event the Building is partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings and is rebuilt, the Unit Owners agree that encroachments of any portion of the Unit or the Common Elements as aforescribed due to construction shall be

permitted and that a valid easement for said encroachment and the maintenance thereof shall exist as long as the Building or reconstructed building shall stand.

ARTICLE 17 UNIT OWNERSHIP

Upon the closing of title to a Unit, a purchaser shall automatically become a Unit Owner in the Condominium and shall remain a Unit Owner until such time as he ceases to own the Unit for any reason.

ARTICLE 18 CONVEYANCE OF A UNIT

Upon any conveyance of a Unit, either by voluntary instrument, operation of law or judicial proceedings in accordance with this Declaration or the By-Laws, the grantee of the Unit shall be jointly and severally liable with the grantor for any unpaid Common Charges against the latter assessed and due up to the time of the grant or conveyance without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. Any such grantee shall be entitled to a statement from the Board of Managers setting forth the amount of the unpaid Common Charge against the grantor and such grantee shall not be liable for, nor shall the Unit conveyed be subject to a lien, for any unpaid Common Charge against the grantor in excess of the amount set forth in such statement. Grantee as used herein shall not include either the holder of an institutional mortgage of record or other purchaser of a Unit at a foreclosure sale of an institutional mortgage.

ARTICLE 19 COVENANTS AND RESTRICTIONS

The use of the Unit by the Unit Owner or other occupant shall be subject to the rules, regulations, and provisions of this Declaration, the By-Laws and Rules and Regulations of the Board of Managers and the following covenants and restrictions:

- (a) The Unit and area restricted to the Unit Owner's use shall be maintained in good repair and overall appearance.
- (b) No alterations to the exterior of a Unit or any part of the Common Elements may be made without the written consent of the Board of Managers. No alterations to the inside of a Unit that would impair the structural soundness of the Building may be made without the written consent of the Board of Managers. Consent may be requested by mailing a letter, certified mail, return receipt requested to the President of the Board of Managers, who shall have the obligation to answer within thirty (30) days and failure to do so within the stipulated time shall mean that there is no objection to the proposed modification or alteration.

(c) Any Unit Owner who mortgages or sells his Unit shall notify the Board of Managers and provide the name and address of his mortgagee or purchaser.

(d) The Board of Managers shall, at the request of the mortgagee of the Unit, report any unpaid Common Charges due from the Unit Owner of such Unit.

(e) No nuisances shall be allowed upon the Property and no use or practice shall be allowed which interfere with the peaceful possession and proper use of the Property by its residents.

(f) No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

(g) Regulations promulgated by the Board of Managers concerning the use of the Property shall be observed by the Unit Owners provided, however, that a copy of such regulations is furnished to each Unit Owner prior to the time the said regulations become effective.

(h) The Common Charges shall be paid when due.

(i) The use for which the Building is intended is for mixed use residential and commercial uses in compliance with all applicable zoning and use requirements.

ARTICLE 20 UTILITIES

Electricity consumed in or on the Residential Common Elements and gas consumed in the Residential Units shall be paid for by the Board of Managers as items of Common Expense allocable to the Residential Unit Owners. Water and sewer charges consumed in the Building shall be paid for by the Board of Managers as items of Common Expense allocable to all Unit Owners. Each Unit is individually metered for electricity and the expense of same consumed within the Unit shall be paid for by the Owner of said Unit. Notwithstanding anything to the contrary stated in this Article 20, utilities paid for by the Board of Managers as items of Common Expense shall be allocated in accordance with the Budget Allocation.

ARTICLE 21 INVALIDITY

Invalidation of any of the covenants, limitations or provisions of the Declaration by judgment or court order shall in no way affect any remaining part or parts hereof, and the same shall continue in full force and effect.

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 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

If any provision of this Declaration or the application thereof to any person, entity or circumstance, is determined to be invalid or unenforceable to any extent, the remainder of this Declaration, and the application of such provision to persons, entities or circumstances other than those as to which it is specifically determined to be invalid or unenforceable, shall not be affected thereby, and each provision of this Declaration shall be valid and enforced to the fullest extent permitted by law, provided that under all circumstances, the provisions hereof are required to be interpreted and applied so that there will be no adverse effect on Declarant or any other person governed by or otherwise affected by this Declaration in any material respect as a result of any invalidity or unenforceability referred to above in this Article 21.

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 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 sixty (60) days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which Unit Owner or party is required to execute, acknowledge and deliver or to take pursuant to this Declaration, then the Board is hereby authorized as attorney in fact for such Unit Owner or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or to take such action in the name of such Unit Owner or other party and such document or action shall be binding on such Unit Owner or other party.

26.3 If any Unit Owner, the Board or any other party which is subject to the terms of this Declaration fails, within sixty (60) days after request therefor, to execute, acknowledge or deliver any instrument, or to take any action which such Unit Owner, the 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, the Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument or take such instrument or to take such action in the name of such Unit Owner, the Board or other party and such document or action shall be binding on such Unit Owner, the Board or other party, as the case may be.

26.4 Without intending to limit the generality of the foregoing, each Board and each Unit Owner shall be required, upon the request of Declarant, to execute and delivery any documents or applications reasonably required in connection with any merger, any declaration of zoning lot restrictions or any zoning lot development agreement.

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 Unsold Units then owned by Declarant or its designee, as the case may be. Subject to the foregoing, Declarant and 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 EXCESS DEVELOPMENT RIGHTS

The unused floor area development rights that are now owned, subsequently acquired or that may become available under the New York City Zoning Resolution (the “Development Air Rights”) shall be retained by Declarant or any entity to whom Sponsor conveys said Development Air Rights for the sole purpose of being merged into a zoning lot pursuant to a zoning lot development agreement (“ZLDA”) or similar and related agreements. Declarant or any entity to whom Declarant conveys Development Air Rights shall have the right to amend the Declaration and any ZLDA that exists pertaining to the Building, in order to convey Development Air Rights (the “Air Rights Amendment”). Declarant or any entity to whom Declarant conveys the Development Air Rights shall have the right to complete and file the Air Rights Amendment with the City of New York without the consent of the owners of the Condominium Units or the Board of Managers or any parties in interest to the Common Elements. The owners of the Condominium Units, the Board of Managers and/or any parties in interest to the Common Elements shall be deemed to have consented to the transfer of Development Air Rights as described in the Air Rights Amendment and shall execute any documents evidencing said consent as are reasonably requested by Declarant. Notwithstanding the foregoing, neither Declarant nor any entity to whom Declarant conveys the Development Air Rights to may utilize the Development Air Rights to increase the size, height, bulk or density of any portion of the Property.

ARTICLE 29 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 Unsold Units.

Whenever the consent, approval, satisfaction or permission of a Unit Owner, the Board member designated by the Commercial Unit Owners, or the Board (the “Consenting Party”), the Consenting Party’s failure to respond to such request within fifteen (15) days from the date such requesting party received the written request for consent shall be deemed consent and/or approval.

ARTICLE 30 INCORPORATION BY REFERENCE

The terms, covenants, conditions, descriptions and other information contained in (i) the property description annexed hereto as Schedule A; (ii) the description of the Units annexed hereto as Exhibit B; (iii) the By-Laws annexed hereto as Schedule C; and (iv) 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.

ARTICLE 31 AUTHORIZATION TO BORROW

The Board is authorized to incur debt on behalf of Unit Owners to provide for major and minor maintenance, repairs, additions, improvements, replacements of the Common Elements and working capital, bad debts and unpaid Common Expenses, insurance, depreciation, obsolescence and similar purposes solely in connection with the Common Elements, provided, however, that no lien to secure repayment of any sum borrowed by the Board may be created or suffered on any of the Units or its appurtenant interest in the Common Elements without the consent of the applicable Unit Owners and its mortgagees, if required under the terms of any permitted mortgage and no Unit Owner shall have any personal liability for the repayment of such sum (other than a Unit Owner that is in default of its obligation to pay Common Charges and/or Assessments if such borrowing is the result of such default). Notwithstanding the foregoing, the Board is authorized to incur debt on behalf of the Residential Unit Owners that is to be secured solely by the Residential Units and the Residential Common Interests in connection thereto and to be used solely in connection with the Residential Units, the Residential Common Elements, and/or the Residential Limited Common Elements, provided the Residential Unit Owners have consented to the same, without the consent of the Commercial Unit Owners or the Commercial Board Member.

ARTICLE 32 POWER OF ATTORNEY

32.1 Each Unit Owner shall grant to the Board of Managers an irrevocable power of attorney, coupled with an interest (in such form and content as the Board of Managers shall determine) following due authorization (if required) from the Unit Owners (a) to acquire or lease any Unit, together with its Appurtenant Interest (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 Board of Managers 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 the Units, including retaining counsel and taking any other action which the 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 of the Building or the Property, respectively or

any consent, covenant, restriction, easement or declaration, or any amendment thereto, affecting the Property which the Board deems necessary or appropriate.

32.2 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.

ARTICLE 33 ARBITRATION

Any disputes between the Commercial Unit Owners, the Board and/or the Residential Unit Owners, including but not limited to disputes over whether any matter under consideration is material or adverse or who shall have the right to take action with or without consent, shall be subject to expedited arbitration before JAMS at the request of any Unit Owner as set forth in the By-Laws. By contrast, any disputes between the Declarant and Unit Owners shall not be submitted to arbitration but shall be settled in accordance with applicable law.

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

DECLARANT:

4 AVE BU LLC

By: _____

Name:

Title:

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

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

Notary Public

SCHEDULE A

DESCRIPTION OF THE LAND

SCHEDULE B
UNIT SCHEDULE

SCHEDULE C

CONDOMINIUM BY-LAWS

THE 554 4TH AVENUE CONDOMINIUM

ARTICLE I

PLAN OF CONDOMINIUM OWNERSHIP

Section 1. Purpose. The purpose of these By-Laws is to set forth the rules and procedures concerning the conduct of the affairs of the 554 4th Avenue Condominium (the “Condominium”). The Condominium covers the fee interests in the property (the “Property”) consisting of approximately 7,909.6 square feet of land (the “Land”) formerly designated as Block 3435, Lot 37 on the Tax Map of the Borough of Brooklyn, Kings County, City and State of New York, the Building and other improvements now or hereafter to be constructed thereon or therein, as the case may be (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 the Declaration (which, as the same may be amended from time to time, is herein called the “Declaration”) by 4 AVE BU LLC (“Sponsor”) in the Kings County Office of the Register of the City of New York (“City Register’s Office”), together with these By-Laws.

Section 2. By-Laws Applicability. The provisions of these By-Laws are applicable to the Condominium and the Common Elements and the use and occupancy thereof.

Section 3. Personal Application. All present and future Unit Owners, mortgagees, lessees, or their employees, guests, invitees or any other person that might use the facilities of the Condominium in any manner are subject to these By-Laws, the Declaration and the Rules and Regulations established by the Board of Managers. The mere acquisition or rental of any of the Units or the mere act of occupancy of any of said Units will signify that these By-Laws, the Declaration and the Rules and Regulations are accepted, ratified, and will be complied with. Failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, by the Board of Managers or in a proper case, an aggrieved Unit Owner. In the case of flagrant or repeated violation the Board of Managers may ask the offending Unit Owner for sufficient surety for future compliance.

Section 4. Definitions. Any capitalized words herein that are undefined in these By-Laws shall have the same definitions as listed in the Declaration.

Section 5. 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 Brooklyn reasonably convenient thereto, as may be designated from time to time by the Board.

ARTICLE II

CONDOMINIUM, VOTING, QUORUM, PROXIES AND WAIVERS

Section 1. Condominium. The Condominium shall be limited to Unit Owners. “Unit Owner” as referred to herein shall mean the owners of a Unit.

Section 2. Voting.

2.1. Each Unit Owner or a person designated by such Unit Owner to act as proxy on such Unit Owner’s behalf and who need not be a Unit Owner, shall be entitled to cast the votes appurtenant to such Unit as set forth herein and in the Declaration at all meetings of Unit Owners. The designation of any such proxy shall be made in writing to the Secretary of the Board and shall be revocable at any time by written notice to 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 Registered Mortgagee to act as the proxy of its mortgagor.

2.2 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 Sponsor with respect to Units owned by Sponsor or its designee) shall be entitled to cast one vote for each .01% (rounded off to the nearest .1%) of General Common Interest attributable to such Unit Owner’s Unit. If only the Residential Unit Owners are entitled to vote, each Residential Unit Owner shall be entitled to cast one vote for each .01% (rounded off to the nearest .1%) of Residential Common Interest attributable to such Residential Unit Owner’s Unit.

2.3 Whenever a particular percentage of Common Interest must be reached for voting purposes and such required percentage is in terms of the Unit Owners as a group, (as proposed to all Unit Owners as a whole), such required percentage shall mean a percentage in terms of total Common Interests attributable to that particular group and not the percentage of Common Interests attributable to all Unit Owners.

2.4 Notwithstanding the foregoing, only the vote of the Commercial Unit Owners are required for any action that affects only the Commercial Units (or any part thereof), provided such action would not have any material adverse effect on the Residential Units, Residential Common Elements, the Residential Limited Common Elements and/or Residential Unit Owners. Only the Residential Unit Owners shall be entitled to vote in the election of the Residential Board Members and in connection with any action that affects only the Residential Units, the Residential Common Elements, the Residential Limited Common Elements, and/or the Residential Unit Owners, provided such action would not have any material adverse effect on the

Commercial Units and/or the Commercial Unit Owner.

Section 3. Quorum. So many Unit Owners as shall represent fifty-one (51%) percent of the total authorized votes of all Unit Owners present in person or represented by written proxy shall constitute a quorum at all meetings of the Unit Owners for the transaction of business, except as otherwise provided by Statute, by the Declaration, or by these By-Laws. If, however, such quorum shall not be present or represented at any meeting of the Unit Owners, the Unit Owners entitled to vote thereat, present in person or represented by written proxy, shall have power to adjourn the meeting from time-to-time, without notice, other than announcement at the meeting until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting originally called.

Section 4. Vote Required to Transact Business. When a quorum is present at any meeting, the vote of a majority of the Unit Owners present in person or represented by written proxy shall decide any question brought before such meeting and such vote shall be binding upon all Unit Owners, unless the question is one upon which, by express provisions of the Declaration, Statute, or of these By-Laws, a different vote is required, in which case such express provisions shall govern and control the decision of such question.

Notwithstanding anything to the contrary stated sixty-seven percent (67%) of the Unit Owners in number and in Common Interest and fifty one percent (51%) of the Registered Mortgagees must consent to any change in the Plan, By-Laws or Declaration (the "Documents") that would have a material impact on:

- (a) Voting;
- (b) Assessments;
- (c) Priority of Liens;
- (d) Reserves for maintenance or replacement;
- (e) Insurance or fidelity bond requirements;
- (f) Rights to use of common elements;
- (g) Responsibility for maintenance and repair for the Condominium;
- (h) Expansion or contraction of the Condominium;
- (i) Boundaries of any Unit;
- (j) Common Interests;
- (k) Conversion of Units into Common Elements or vice versa;
- (l) Leasing of Units;
- (m) Change in right of first refusal requirements; and
- (n) Establishment of self-management.

Section 5. Right to Vote. At any meeting of Unit Owners, every Unit Owner having the right to vote shall be entitled to vote in person, or by proxy. Such proxy shall only be

valid for such meeting or subsequent adjourned meetings thereof. No Unit Owner may vote at any meeting of Unit Owners if the Board of Managers has perfected a lien against such Unit Owner's Unit and the amount necessary to discharge such lien has not paid prior to such meeting.

Section 6. Proxies. All proxies shall be in writing and shall be filed with the Secretary prior to the meeting at which the same are to be used. A notation of such proxies shall be made in the minutes of the meeting.

Section 7. Waiver and Consent. Whenever the vote of Unit Owners at a meeting is required or permitted by any provision of the Declaration, Statutes or of these By-Laws to be taken in connection with any action of the Condominium, the meeting and vote of Unit Owners may be dispensed with if all Unit Owners who would have been entitled to vote upon the action if such meeting were held, shall consent in writing to such action being taken.

Section 8. Place of Meetings. Meetings shall be held at such suitable place convenient to the Unit Owners as may be designated by the Board of Managers.

Section 9. Annual Meetings. The first annual meeting of the Unit Owners shall be called for a date which is no more than one year after the first Unit Closing. Such meeting shall be held not less than ten (10) days nor more than thirty (30) days after such date. Thereafter, annual meetings shall be held within approximately thirty (30) days of each anniversary of the first annual meeting. Except during the Sponsor Control Period as set forth in the Plan and Section 1, Article III below, the Board of Managers shall consist of three (3) members, and shall be elected at the annual meetings of the Unit Owners, and there shall also be transacted such other business as may properly come before such meetings.

Section 10. Special Meetings. It shall be the duty of the President to call a special meeting of the Unit Owners as directed by the Board of Managers or upon a petition signed by Unit Owners representing a majority in interest of the Common Elements having been presented to the Secretary.

Section 11. Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Unit Owner of record, at least ten (10), but not more than thirty (30) days prior to such meeting. The mailing of a notice in the manner provided in these By-Laws shall be considered notice served.

Section 12. Order of Business. The order of business at all meetings shall be as follows:

- (a) Roll call;
- (b) Proof of notice of meeting or waiver of notice;

- (c) Reading of minutes of preceding meeting;
- (d) Report of officers;
- (e) Report of committees (if applicable)
- (f) Election of inspectors of election (if applicable)
- (g) Election of Managers (in the event there is an election);
- (h) Unfinished business; and
- (i) New business.

ARTICLE III

BOARD OF MANAGERS

Section 1. Control By Sponsor. Sponsor reserves the right to control the Condominium Board of Managers for a period of time until the earlier to occur of (a) one hundred twenty (120) days after the date by which one hundred percent (100%) of the Units have been conveyed to Unit Purchaser; or (b) sixty (60) days after the date by which Sponsor has obtained a final certificate of occupancy (“FCO”) for the Building (the “Sponsor Control Period”). However, in no event shall the Sponsor Control Period exceed three (3) years from the date of the First Unit Closing. Sponsor reserves the right to relinquish control of the Board prior to the expiration of the Sponsor Control Period.

Section 2. Number of Board Members. The Board of Managers shall consist of three (3) members.

Section 3. Eligibility Requirements. With the exception of those members elected or designated by Sponsor, only a Unit Owner, the principal or officer of a Unit Owner, or the spouse of a Unit Owner are eligible for election to the Board of Managers.

Section 4. Election. All elections of Board members shall be determined by plurality vote.

4.1. When voting for members of the 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 Article II Section 2.2 for each member to be elected by the Unit Owners. Nothing contained in these By-Laws shall be deemed to permit cumulative voting.

4.2 Notwithstanding any other provisions of this Section 4 or any other provisions of these By-Laws to the contrary, commencing with the first annual meeting of the Unit Owners, Sponsor shall have the right to vote all of the Common Interests attributable to Unsold Units owned by it until Sponsor has closed title to all of the Unsold Units owned by it so that none of them remain Unsold Units. Sponsor shall hold a majority of seats on the Board

during the Sponsor Control Period. Notwithstanding the foregoing, Sponsor may, at its discretion, relinquish voting control of the Board prior to the end of the Sponsor Control Period. So long as Sponsor owns at least one (1) Unsold Unit, Sponsor shall have the right to designate one (1) member of the Board. For so long as Sponsor owns at least one (1) of the Unsold Units, the number of members of the Board may not be increased without the consent of Sponsor.

4.3 The Commercial Unit Owners shall, at all times subsequent to the Sponsor Control Period, have the right to designate one (1) member to the Condominium Board of Managers (the “Commercial Board Member”), and the Residential Unit Owners shall have the right to designate the two (2) other members of the Board (the “Residential Board Members”).

Section 5. Vacancy and Replacement. If the office of any Manager or Managers becomes vacant by reason of death, resignation, retirement, disqualification, removal from office or otherwise, a majority of the remaining Managers, though less than a quorum, at a special meeting of Managers duly called for this purpose, shall choose a successor or successors, who shall hold office for the unexpired term in respect to which such vacancy occurred. If the vacancy occurs with respect to any member of the first Board of Managers (see Section 4 of this Article III) who has been designated by the Sponsor, the Sponsor shall have the sole right to choose such Manager’s successor to fill the unexpired portion of his term. Only the Commercial Unit Owners may designate a new Commercial Board Member to replace a Commercial Board Member. Only the Residential Board Members may choose, and vote for, a Manager to replace a Residential Board Member.

Section 6. Removal. Except as otherwise provided in this Section 6, Managers, other than Managers elected by the Sponsor or Sponsor’s designee, may be removed with or without cause by an affirmative vote of a majority of the Unit Owners. Notwithstanding the foregoing, any Commercial Board Member may only be removed by the Commercial Unit Owners, and only the Commercial Unit Owners may designate a replacement Member, and any Residential Board Member may only be removed by the Residential Unit Owners, and only the Residential Unit Owners may designate a replacement Residential Board Member. Managers elected by the Sponsor or a Sponsor-designee may only be removed for gross negligence, willful misconduct, or fraud by the affirmative vote of a majority of Unit Owners. No Manager, other than a member of the first Board of Managers or a Manager elected or designated by the Sponsor or Sponsor’s designee, shall continue to serve on the Board if, during his term of office, he shall cease to be a Unit Owner.

Section 7. First Board of Managers. The First Board of Managers shall consist of individuals designated by Sponsor, who may be officers or employees of Sponsor, and shall hold office and exercise all powers of the Board of Managers. Any or all of said Managers shall be subject to replacement in the event of resignation or death in the manner set forth in Section 2 of this Article III.

Section 8. Term. With the exception of the first Board of Managers appointed by Sponsor during the Sponsor Control Period, the term of the office of the Managers shall be fixed for at least one (1) year. At the expiration of the initial term of office of each respective Manager, his/her successor shall be elected to serve a term of one (1) year.

Section 9. Powers. The property and business of the Condominium shall be managed by its Board of Managers, which may exercise all such powers of the Condominium and do all such lawful acts and things as are not by Statute or by the Declaration or by these By-Laws directed or required to be exercised or done by the Unit Owners personally. These powers shall specifically include, but not be limited to, the following items:

- (a) To determine and levy monthly assessments (“Common Charges”) to cover the cost of common expenses, payable in advance. The Board of Managers may increase the monthly assessments or vote a special assessment in excess of that amount, if required, to meet any additional necessary expenses, but said increase can only be assessed among the Unit Owners in accordance with the Budget Allocation and in accordance with Section 2.2 of these By-Laws;
- (b) To collect, use and expend the Common Charges and assessments collected, to maintain, care for and preserve the Units, Buildings, and other Common Elements;
- (c) To make repairs, restore or alter any Units or the Common Elements after damage or destruction by fire or other casualty or as a result of condemnation or eminent domain proceedings;
- (d) To enter into and upon the Units when necessary and with as little inconvenience to the Unit Owner as possible in connection with the maintenance, care and preservation of the property, including emergency repairs at all times whether or not the Unit Owner is present;
- (e) To open and maintain bank accounts on behalf of the Condominium and to designate the signatories to such bank accounts;
- (f) To insure and keep insured the Common Elements and Units in accordance with Article VII of these By-Laws;
- (g) To collect delinquent Common Charges and/or assessments by suit or otherwise, to abate nuisances and to enjoin or seek damages from the Unit Owners of the property for violations of the house rules and regulations herein referred to;
- (h) To purchase any Unit at a foreclosure sale on behalf of all Unit Owners;

- (i) To make reasonable rules and regulations and to amend the same from time to time, and such rules and regulations and amendments shall be binding upon the Unit Owners when the Board has approved them in writing. A copy of such rules and regulations and all amendments shall be delivered to each Unit Owner;
- (j) To employ and terminate the employment of employees and independent contractors and to purchase supplies and equipment, to enter into contracts, and generally to have the powers of manager in connection with the matters hereinabove set forth;
- (k) To bring and defend actions by or against more than one Unit Owner and pertinent to the operation of the Condominium. The Board may, in its discretion, fund the cost of any such litigation out of the Common Charge and/or assessments. The Board shall also have the right to engage in any litigation it deems necessary to carry out the provisions of the Declaration of Condominium and these By-Laws and may fund the cost of any such litigation out of the Common Charge and/or assessments. Without limiting the foregoing, the Board may engage in litigation pertaining to the enforcement of the Sponsor's obligations, as such obligations are set forth in the Declaration of Condominium and these By-Laws, and to the maintenance and operation of the Common Elements;
- (l) To acquire Units in foreclosure or as a result of abandonment and to take any and all steps necessary to repair or renovate any Unit so acquired and to vote as Unit Owner, offer such Unit for sale or lease or take any other steps regarding such Unit as shall be deemed proper by the Board of Managers;
- (m) To grant utility or other easements as may, at any time, be required for the benefit of the Condominium and Unit Owners without the necessity of the consent thereto, or joinder therein, by the Unit Owners, provided that such utility or other easements shall not, to the extent commercially reasonably, interfere with the normal conduct of the business of the tenant of the Commercial Units or the permitted use of the Commercial Units or reduce the square footage of any of the Commercial Units and further provided that the Board shall not access or permit any party to access the Commercial Units without at least five (5) business days' notice to the Commercial Unit Owners, except for in the case of an emergency;
- (n) To borrow money on behalf of the Condominium when required in connection with the operation, care, upkeep and maintenance of the Common Elements, provided, however, that (i) the consent of at least one-hundred (100%) percent in number of all Unit Owners, obtained at a meeting duly called and held for such purpose in accordance with the provisions of these By-Laws, shall be required for the borrowing of any sum in excess of Five Thousand (\$5,000.00) Dollars and (ii) no lien to secure repayment of any sum borrowed may be created on any Unit or its appurtenant

interest in the Common Elements without the written consent of the Owner of said Unit;

- (o) To act as an agent of each Unit Owner who has given his written authorization to complain or apply to the local and county Real Estate Tax Assessment Agency Board of Review by filing a single complaint on behalf of all such Unit Owners pursuant to the applicable sections of the Real Property Tax Law. The Board of Managers may retain legal counsel on behalf of all Unit Owners for which it is acting as agent and charge all such Unit Owners a pro rata share of expenses, disbursements and legal fees for which charges the Board of Managers shall have a lien pursuant to Article VI of these By-Laws;
- (p) To sign any application or other document required to be filed with any governmental authority having or asserting jurisdiction in connection with any such structural addition, alteration or improvement made by Sponsor or its designee to any Unit, provided, however, that neither the Board of Managers nor the Unit Owners shall be subjected to any expense or liability by virtue of the signing of the application or such other document. A copy of any such application or other document will be furnished to the Board of Managers.
- (q) To accumulate reserves for capital replacements in sufficient amounts to be in compliance with FHA requirements. The Board shall collect a replacement reserve equal to the amount set forth in the budget for the operation of the Condominium (the "Replacement Reserve"). The Replacement Reserves shall be used for the periodic maintenance, repair and replacement of the common elements.
- (r) To collect monthly escrows from Unit Owners with their Common Charges for the payment of real estate taxes attributable to individual Units based upon the estimated tax bill for the entire Property and the then current tax rate until all of the Units are separately assessed, and deposit the same in a tax escrow account established by Sponsor pursuant to the Offering Plan.

Notwithstanding anything to the contrary contained in these By-Laws, so long as Sponsor or its designee shall continue to own at least one Unsold Unit but in no event later than five years from the First Unit Closing of a sale made under the Plan, neither the Board nor the Board of Managers may, with Sponsor's prior written approval: (i) make any 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 to reflect normal annual increase 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.

Notwithstanding anything to the contrary contained in these By-Laws, any action that affects only the Commercial Units (or any part thereof) shall only be made by the Commercial Board Member, and any action that materially and adversely affects the ownership, use or operation of the Commercial Unit Owners or increases the obligations of the Commercial Unit Owners or materially and adversely affects or diminishes the rights of the Commercial Unit Owners shall require the consent of the Commercial Board Member.

Notwithstanding anything to the contrary contained in these By-Laws, any action that affects only the Residential Units, the Residential Common Elements, the Residential Limited Common Elements, or any part thereof shall only be made with the consent of a majority of the Residential Board Members, and may be made without the consent of the Commercial Board Member. Any action that materially and adversely affects the ownership, use or operation of the Residential Units, the Residential Common Elements, the Residential Limited Common Elements, or any part thereof, or increases the obligations of any or all of the Residential Unit Owners, or materially and adversely affects or diminishes the rights of any or all of the Residential Unit Owners shall require the consent of a majority of the Residential Board Members.

Section 11. Repairs and Maintenance. All maintenance, repairs and replacement of the Common Elements of the property, including, but not limited to, exterior walls, roof and roof members as well as all maintenance, repairs and replacements to any pipes, wires, conduits and public utility lines, any portion of which is located in one Unit and services another Unit or more than one Unit or so much of any pipes, wires, conduits and public utility lines as are located in the General Common Elements and serving all of the Units shall be made by the Board of Managers and the cost thereof shall be a Common Expense. Except as is otherwise specifically provided, all maintenance to the Units, including electrical repairs, plumbing stoppages, window cleaning, painting and decorating in the Units, except for painting of the exterior surfaces of doors and windows which open from a Unit, which painting is performed by the Board of Managers, repairs and replacement to the Units including windows and doors (including all glass breakage), and repairs to pipes, wires and conduits located in and servicing the same Unit other than as set forth above, shall be made by the respective Unit Owners at their own expense. All irrevocably restricted Unit elements shall be maintained and repaired by the Unit Owner to whom such Common Element is restricted in use. However, the Board of Managers shall repair and replace any pipes, wires, conduits and public utility lines located underground or overhead of any irrevocably restricted Common Element and shall make all necessary structural repairs to any irrevocably restricted Common Element and the cost thereof shall be a Common Expense, except where such repair or replacement is necessitated by the negligence, misuse or neglect of a Unit Owner to whom the Common Element (i.e., a Limited Common Element) is restricted in use, in which event such cost and expense shall be assessed to and paid for by such Unit Owner. The Board of Managers shall repair all plumbing stoppages and electrical problems occurring in the Common Elements. The Board of Managers and its agents, employees and contractors shall have a right of access to any Unit and to all portions of

the Common Elements for the purpose of carrying out any of its obligations under these By-Laws or the Declaration of Condominium. All repairs, painting or maintenance, whether made by the Unit Owner or by the Board of Managers to the doors, windows or the exterior surface of any Building, including roofs or to any generally visible portion of the Common Elements, shall be carried out in such a manner so as to conform to the materials, style and color initially provided by the Sponsor. In the event that a Unit Owner fails to make any maintenance or repair which maintenance or repair is necessary to protect any of the Common Elements, any other Unit or, in the event of service of a Building Department violation notice covering the Unit upon the Board of Managers, the Board of Managers shall have the right to make such maintenance or repair (after the failure of the Unit Owner to do so after ten (10) days' written notice or written or oral notice of a shorter duration in the event of an emergency situation) and to charge the Unit Owner for the cost of all such repairs and/or maintenance. In the event that the Board of Managers charges a Unit Owner for repairs or maintenance to his Unit or for repairs to any Common Elements restricted to use to such Unit Owner, and the Unit Owner fails to make prompt payment, such charges shall be considered as additional Common Charges due from said Unit Owner, and the Board of Managers shall be entitled to bring suit thereon. In the event the Board brings such a suit, the Unit Owner shall be liable for the reasonable attorneys' fees and cost of such suit or proceeding together with the interest on all sums due.

Notwithstanding anything to the contrary contained in these By-Laws or the Declaration or the Rules and Regulations, such maintenance, repairs and replacements of the General Common Elements or Residential Common Elements shall not, to the extent commercially reasonable, interfere with the normal conduct of the business of the Commercial Unit Owners or their tenants, or the permitted use of the Residential Units, and further provided that the Board shall not access or permit any party to access the Commercial Units without at least five (5) business days' notice to the Commercial Unit Owners, except for an emergency situation.

Any Common Charges or Assessments by the Board in connection with the maintenance, repair or restoration of the exterior façade, including any work necessitated by Local Law 10/11 or similar law enacted in the future shall be shared by Unit Owners pro rata in relation to the portion of the exterior façade appurtenant to a Unit affected.

Each Commercial Unit Owner shall be responsible for maintaining and cleaning the sidewalk, including but not limited to snow and ice removal, appurtenant to their Unit.

Section 11. Meetings.

- (a) The first meeting of each Board newly elected by the Unit Owners shall be held immediately upon adjournment of the meeting at which they were elected, provided a quorum shall then be present, or as soon thereafter as may be practicable. The annual meeting of the Board of Managers shall be held at the same place as the Unit Owners'

meetings, and immediately after the adjournment of same, at which time the date, places and times of regularly scheduled meetings of the Board shall be set.

- (b) Regularly scheduled meetings of the Board may be held without special notice.
- (c) Special meetings of the Board may be called by the President on two (2) days' notice to each Manager either personally or by telephone, mail or telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of at least one (1) Manager.
- (d) At all meetings of the Board, a majority of the Managers shall be necessary and sufficient to constitute a quorum for the transaction of business, and an act of the majority of the Managers present at any meeting at which there is a quorum shall be the act of the Board of Managers, except as may be otherwise specifically provided by Statute or by the Declaration or by these By-Laws. If a quorum shall not be present at any meetings of Managers, the Managers present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.
- (e) Before or at any meeting of the Board of Managers, any Manager may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Manager at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Managers are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.
- (f) Managers or members of any committee of the Board of Managers may participate in a meeting by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other.

Section 12. Fidelity Bonds. The Board of Managers shall obtain and maintain to the extent obtainable (a) Fidelity Insurance covering all employees of the Condominium who handle Condominium funds in an amount not less than \$5,000.00 for each loss. The premiums on such bonds shall be a Common Expense.

Section 13. Management Agent. At its discretion, the Board of Managers may employ for the Condominium a management agent under a term contract or otherwise at compensation established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, all of the delegable duties of the Board listed in this Article.

Section 14. Liability of the Board of Managers and Unit Owners. Any contract,

agreement or commitment made by the Board of Managers shall state that it is made by the Board of Managers, as agent, for the Unit Owners as a group only and that no member of the Board of Managers or individual Unit Owners shall be liable for such contract, agreement or commitment. The Unit Owners shall be liable as a group under such contract, agreement or commitment but the liability of each Unit Owner shall be limited to such proportion of the total liability thereunder as his Common Interest bears to the Common Interest of all Unit Owners. The Board of Managers shall have no liability to the Unit Owners in the management of the Condominium except for gross negligence or willful misconduct or acts made in bad faith and the Unit Owners shall jointly and severally indemnify all members of the Board of Managers against any liabilities or claims arising from acts taken by a member of the Board of Managers in accordance with his duties as such member except acts of gross negligence or willful misconduct or acts made in bad faith. Such joint and several liability of the Unit Owners shall, however, be limited as to each Unit Owner to such proportion of the total liability thereunder as such Unit Owners' Common Interest bears to the Common Interest of all Unit Owners.

Section 15. Compensation. No members of the Board of Managers will receive any compensation from the Condominium for acting as such.

ARTICLE IV **OFFICERS**

Section 1. Elective Officers. The officers of the Condominium shall be chosen by the Board of Managers and shall be a President, a Vice President, a Secretary and a Treasurer. All officers must be designees of the Unit Owners or members of the Board of Managers. The Board of Managers may also choose such other officers as in their judgment may be necessary. Two or more offices may be held by the same person so long as there are at least 3 officers.

Section 2. Appointive Officers. The Board may appoint such other officers and agents as it shall deem necessary that shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

Section 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 Board. Such resignation shall take effect at the time specified therein and, unless specifically requested, acceptance of such resignation shall not be necessary to make it effective. Upon the affirmative vote of a majority of the members of the Board electing him or her, any officer may be removed, either 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.

Section 4. The President. The President shall be the chief executive officer of the Condominium; he shall preside at all meetings of the Unit Owners and Managers, shall be an ex-officio member of all standing committees, shall have general and active management of the

business of the Condominium, shall see that all orders and resolutions of the Board are carried into effect and shall have such other powers and duties as are usually vested in the office of President of a stock corporation organized under the Business Corporation Law of the State of New York.

Section 5. The Secretary. The Secretary shall attend all sessions of the Board and all Unit Owners' meetings and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for the standing committees when required. He shall give, or cause to be given, notices of all Unit Owners' meetings and special meetings of the Board of Managers, and shall perform such other duties as may be prescribed by the Board of Managers or by the President under whose supervision he shall be.

Section 6. The Treasurer. The Treasurer shall have the custody of the Condominium funds and securities and shall keep full and accurate chronological accounts of receipts and disbursements in books belonging to the Condominium including the vouchers for such disbursements, and shall deposit all moneys and other valuable effects in the name and to the credit of the Condominium in such depositories as may be designated by the Board of Managers. He shall disburse the funds of the Condominium as he may be ordered by the Board, making proper vouchers for such disbursements and shall render to the President and Managers, at the regular meeting of the Board or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Condominium.

The Treasurer shall keep detailed financial records and books of account of the Condominium, including a separate account for each Unit which, among other things, shall contain the amount of each assessment of Common Charges against such Unit, the date when due, the amounts paid thereon and the balance remaining unpaid.

Section 7. Execution of Documents. Unless otherwise delegated by the Board all agreements, contracts, deeds, leases, checks and other instruments of the Condominium shall be executed by any officer thereof, or by such other person or persons as may be designated by the Board. However, the Board can, by resolution, determine that any expenditure in excess of a specified amount by the Board must be countersigned by two members of the Board.

Section 8. Compensation of Officers. Except as otherwise provided by the Board, no officer shall receive any compensation for acting as such.

ARTICLE V

NOTICES

Section 1. Definition. All notices required or desired to be given hereunder to the Board shall be personally delivered or sent by registered or certified mail to the office of the Board or to such other address as the Board may designate from time to time, by notice in

writing to all Unit Owners and to all Registered Mortgagees, as the case may be, and if there is a managing agent of the 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 or to such other address as may have been designated by such Unit Owner from time to time, in writing, to the Board. All notices by Registered 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 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.

Section 2. Waiver of Service of Notice. Whenever any notice is required to be given under the provisions of the Declaration, or of 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.

Section 3. Notice to Registered Mortgagee or Registered Guarantor

The Board shall provide timely written notice to such parties as follows:

- (A) Notice of unpaid Common Charges and default notice of any default or violation by the Unit Owner in the payment of Common Charges or the observance or performance of any of the provisions of the Condominium Documents as to which the Board has actual knowledge then exists which remains uncured for a period of sixty (60) days; and when giving notice of any default or violation to such mortgagor Unit Owner, the board shall also send a copy of such notice to such Owner's Registered Mortgagee and/or Permitted Guarantor.
- (B) Notice of Condemnation or Casualty Loss. Notice of any condemnation or casualty loss which affects a material portion of the Property or a Unit on which there is a Registered Mortgage held, insured or guaranteed by such Registered Mortgagee or Registered Guarantor, as applicable.
- (C) Notice as to Insurance Policy or Fidelity Bond. Notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Board.
- (D) Other Notices: Whenever Notice of any proposed action under the Documents which would: (i) change the boundaries of any Unit; (ii) change the interests in the common elements pertaining to a Unit; (iii) change the number of votes

pertaining to a Unit; (iv) change the use restrictions of any Unit; (v) any proposed termination of the condominium.

(E) Oversight or Negligence. In no event, however, shall the Board (including its members, officers, agents, attorneys and employees) and Unit Owners be liable for any Claims or Liabilities and Expenses for any failure, through oversight or negligence, in giving a Registered Mortgagee or Registered Guarantor of any notice required under subsections (A) through (D) above. Nonetheless: (a) the Board shall give such missed notice with reasonable promptness after discovering such failure; and (b) if the Board shall foreclose its lien on such mortgagor's Unit hereof by reason of the mortgagor-Unit Owner's default or violation, the Board shall pay to such Registered Mortgagee the extent of any undistributed net proceeds of said foreclosure sale of such Unit then held by the Board (subject to an in accordance with the lien priority), but not more than the sum as shall be due and owing to such Registered Mortgagee.

ARTICLE VI

FINANCES

Section 1. Checks. All checks or demands for money and notes of the Condominium shall be signed by the President and such other person or persons as the Board of Managers may from time to time, designate.

Section 2. Assessments.

2.1 The Board of Managers shall from time to time, but at least annually, (i) fix and determine the budget representing the sum or sums necessary and adequate for the continued operation of the Condominium; (ii) allocate and assess such sums amongst the Unit Owners in accordance with allocations set forth in the budget for the Condominium and the Budget Allocation; and (iii) send a copy of the budget and any supplement to the budget to every Unit Owner and mortgagee. They shall determine the total amount required, including the operational items such as insurance, water, sewer, repairs, reserves, and betterments, maintenance of the Common Elements and other operating expenses as well as charges to cover deficits from prior years, if any. All of said assessments deemed to be Common Charges shall be payable monthly in advance as ordered by the Board of Managers.

2.2. Common Expenses have been allocated amongst the Residential Units (in the aggregate) and the Commercial Units on the basis of usage rather than Common Interest, as set forth in the Budget Allocation and in accordance with Section 339(m) of the Real Property Law. The Budget Allocation sets forth the percentage for each line item, if any, to be paid for by the Residential Units and the Commercial Units in the first year and all subsequent years of

operation, which percentages are deemed presumptive evidence of reasonableness. The Board may not modify the Budget Allocations without the consent of the Commercial Board Member and a majority of the Residential Board Members, unless there exists a demonstrated change in usage with respect to a line item. Any dispute between the Commercial Board Member and the Residential Board Members that cannot be amicably resolved shall be resolved by arbitration in accordance with Article 33 of the Declaration.

Section 3. Payment of Common Charges.

3.1. In the event of a default in the payment of any monthly Common Charge assessment by any Unit Owner, the Board, at its sole option, may declare the Common Charge assessment on said Unit Owner's Unit for the balance of the fiscal year immediately due and payable. Prior to making any such declaration following a default, the Board shall send notice to the delinquent Unit Owner and the mortgagee, if any, of such Unit giving the Unit Owner a five (5) day grace period in which to make his payment. The Board may charge the delinquent Unit Owner a fee of not more than One Hundred-Fifty (\$150.00) Dollars to cover the additional burden to the Board occasioned by the lack of timely payment. Interest at the highest legal rate may also be collected by the Board on the Common Charge assessment from its due date to the date payment is actually received from the Unit Owner. Special assessments, should such be required, shall be levied and paid in the same manner as hereinabove provided for regular assessments. The Unit Owner agrees to pay promptly when due the monthly and all special assessments assessed against his Unit. Any Unit Owner who fails to pay the monthly assessment imposed by the Condominium to meet any Common Expense shall be liable for any expenses incurred by the Condominium in collecting said monthly Common Charge assessment, including interest at the highest legal rate and reasonable attorneys' fees. The Board shall take action to collect any Common Charges due from any Unit Owner which remain unpaid ninety (90) days from its due date by way of foreclosure of the lien on such Unit in accordance with Section 339 of the Real Property Law, or otherwise. Under Section 339-aa of the Condominium Act, a lien for non-payment of Common Charges will be subordinate only to liens for real estate taxes and to sums unpaid on a first mortgage of record on the Unit. Any lien for unpaid Common Charges against a Unit shall be effective from and after the filing of a notice thereof in the office of the County Clerk in Kings County, and until all sums secured thereby, with the interest accrued thereon at twelve percent (12%) per annum shall have been fully paid or until six (6) years from the date of filing (unless foreclosure of such lien is started within such six-year period), whichever is earlier. The lien may be foreclosed by a suit brought in the name of the Board of Managers acting on behalf of the Unit Owners, similar to a foreclosure of a mortgage on real property, or an action may be brought by the Board of Managers to recover the unpaid Common Charges, without necessarily filing the lien.

3.2. No Unit Owner shall be liable for any Common Charges that accrue against his Unit subsequent to a sale, transfer or other conveyance by him of his Unit in accordance with these By-Laws and the Declaration. A purchaser of a Unit (other than a mortgagee or a purchaser

at a foreclosure sale) shall be liable for the payment of all Common Charges assessed against the Unit and unpaid at the time of the purchase.

3.3. If a non-occupying owner rents any Unit to a rental tenant and then fails to make payments due for Common Charges, assessments or late fees for such Unit within sixty (60) days of the expiration of any grace period after they are due, upon notice in writing, all rental payments from the tenant shall be directly payable to the Condominium.

If the Common Charges, assessments or late fees due for any unit have not been paid in full, within sixty (60) 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 of Managers 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 once 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. Nothing in this section shall limit any rights of unit owners or of the Board of Managers existing under any other law or agreement. 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.

3.4. Any first mortgagee who obtains title to a Condominium Unit pursuant to the remedies in the mortgage or through foreclosure will not be liable for more than six (6) months of the Unit's unpaid common charges before acquisition of the title to the Unit by the mortgagee. The lender will be liable for any fees or costs related to the collection of the unpaid Common Charges.

Section 4. Foreclosure of Liens for Unpaid Common Charges. The Board shall have the power to purchase any Unit at a foreclosure sale resulting from any action brought by the Board to foreclose a lien on the Unit because of unpaid Common Charges. In the event of such purchase, the Board shall have the power to hold, lease, mortgage, sell, vote or otherwise deal with the Unit. A suit to recover a money judgment for unpaid Common Charges shall also

be obtainable separately without waiving the lien on the Unit.

Section 5. Statement of Common Charges. Upon the written request of any Unit Owner or his mortgagee, the Board shall promptly furnish such Unit Owner or his mortgagee with a written statement of the unpaid Common Charges due from such Unit Owner.

Section 6. Liability for Water, Sewage, Gas and Electricity. All electricity and gas consumed in the Common Elements and all water consumed in the Units and on the Common Elements and all sewage charges shall be a common expense. Electricity and gas consumed in each Unit shall be individually metered and paid for by the respective Unit Owner.

Section 7. Operating Account. There shall be established and maintained a cash deposit account to be known as the "Operating Account" into which shall be deposited the operating portion of all monthly and special assessments as fixed and determined for all Units. Disbursements from said account shall be for the general needs of the operation including, but not limited to, wages, repairs, betterments, maintenance and other operating expenses of the Common Elements and for the purchase, lease, sale or other expenses resulting from the purchase or lease of Units.

Section 8. Other Accounts. The Board shall maintain any other accounts it shall deem necessary to carry out its purposes.

ARTICLE VII

INSURANCE AND INSURANCE TRUSTEE

Section 1. Insurance to be Carried by the Board. The Board of Managers shall be required to obtain and maintain, to the extent obtainable, the following insurance: All risk or fire insurance with extended coverage, loss of business, income/extra expense, boiler and machinery, insuring the Building in the Condominium, including all of the Units and the bathrooms and fixtures initially installed therein by the Sponsor, together with all heating, air conditioning and other service machinery contained therein, covering the interest of the Condominium, the Board of Managers and all Unit Owners and their mortgagees, as its interest may appear, in an amount equal to at least one hundred percent (100%) of the replacement value of the Building exclusive of the land, foundation, excavation and other items normally excluded from coverage. Each of such policies shall contain New York standard mortgagee clause in favor of each mortgagee of a Unit which shall provide that the loss, if any thereunder, shall be payable to such mortgagee as its interest may appear, subject however, to the loss payment provisions in favor of the Board of Managers and the Insurance Trustee hereinafter set forth; and such other insurance as the Board of Managers may determine. The Board of Managers is hereby irrevocably appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each owner of any other interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the

payment of claims. All of such policies shall provide that adjustment of loss shall be made by the Board of Managers and all policies of physical damage insurance shall provide that the proceeds thereof, if \$100,000 or less, shall be paid to the Board of Managers, and if in excess of \$100,000 shall be paid to the Insurance Trustee. The Board of Managers is hereby appointed agent for each Unit Owner and for each Owner of a mortgage or other lien upon a Unit and for each owner of any interest in the Condominium property to adjust all claims arising under insurance policies purchased by the Board of Managers and to execute and deliver releases upon the payment of claims.

The fire insurance will commence with the closing of title to the first Unit in an amount as required by the mortgagee of such Unit and such amount will be increased upon the closing of title to all Units and until the first meeting of the Board of Managers following the first Unit Owners' Meeting, such amount to be no less than one hundred percent (100 %) of the replacement value of the Building.

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

The Board of Managers shall also be required to obtain and maintain, to the extent obtainable, general comprehensive liability insurance in such limits as the Board of Managers may from time to time determine, covering each member of the Board of Managers, the managing agent, if any, and each Unit Owner. Such comprehensive general liability insurance shall also cover cross-liability claims of one insured against another and shall be in a single limit of not less than One Million Dollars (\$1,000,000) covering all claims for bodily injury and for property damage arising out of one occurrence. Such comprehensive general liability insurance shall commence on the closing of title to the first Unit. The Board shall also be required to carry workmen's compensation insurance should it be required by law.

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

If the Condominium insurance policy does not include interior unit coverage, including replacement or interior improvements and betterment coverage to insure improvements

that the Unit Owner may have made to the Unit, the Unit Owner must obtain a “walls-in” coverage policy.

Section 2. The Insurance Trustee. The Insurance Trustee shall be a bank or trust company located in the State of New York designated by the Board of Managers. All fees and disbursements of the Insurance Trustee shall be paid by the Board of Managers and shall constitute a Common Expense of the Condominium. In the event the Insurance Trustee resigns or fails to qualify, the Board of Managers shall designate a new Insurance Trustee that shall be a bank or trust company located in the State of New York.

Section 3. Restoration or Reconstruction After Fire or Other Casualty. In the event of damage to or destruction of the Building as a result of fire or other casualty (unless 75% or more of the Units are destroyed or substantially damaged and 75% or more of the Unit Owners do not duly and promptly resolve to proceed with repair or restoration), subject to the provisions of any mortgage covering the Premises, the Board of Managers or the Insurance Trustee shall arrange for the prompt repair and restoration of the Building (including all kitchen or bathroom fixtures initially installed therein by the Sponsor, any heating, air conditioning or other service machinery which is covered by insurance, but not including any wall, ceiling or door decorations or coverings or other furniture, furnishings, fixtures or equipment installed by Unit Owners in the Units) and the Board of Managers, or the Insurance Trustee, as the case may be, shall disburse the proceeds of all insurance policies to the contractors engaged in such repair and restoration in appropriate progress payments. Any cost of such repair and restoration in excess of the insurance proceeds shall constitute a Common Expense and the Board of Managers may assess all the Unit Owners for such deficit as part of the Common Charges.

ARTICLE VIII

OPERATION OF PROPERTY

Section 1. Restriction on Use of Units.

1.1 In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, each Residential Unit shall be used for residential purposes only, except as otherwise herein expressly provided.

1.2 The Board of Managers, may, in its discretion, grant permission for the use of a Residential Unit as a professional office or for any other purpose, provided such use (1) is permitted by Law, (2) does not violate then existing certificate of occupancy for such Residential 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 Board of Managers shall be in writing and shall be personal to the Residential Unit Owner. Any successor in title to such Residential Unit shall be required to obtain the prior

written approval of the Board of Managers before using such Unit as professional office or for any other purpose.

1.3 No portion of a Residential Unit (other than the entire Unit) may be sold, conveyed, leased or subleased, and no transient occupant (other than a guest permitted under this subsection) may be accommodated therein.

1.4 No Residential Unit may be used as a dormitory or similar arrangement.

1.5 Each Residential Unit Owner is obligated to notify the Board or the managing agent (if applicable) in writing when a child or children under the age of eleven (11) years lives or resides (even temporarily) in the Unit. Each Residential Unit Owner is obligated to install at such Unit Owner's expense, the required window guards in all windows of the Unit, to maintain all window guards installed in the Residential Unit and not to remove same until permitted by Law and in any event, without full knowledge of the Board or the managing agent.

1.6 Notwithstanding the provisions of subsection 1.1, Sponsor or its designee may without the permission of the Board of Managers 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.

1.7 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, chemicals (including, without limitation, petroleum or any by-products or fractions thereof, any form of natural gas, lead, asbestos and asbestos containing materials, 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.

1.8 Notwithstanding the foregoing or anything contained in the By-Laws or the Rules and Regulations to the contrary, no Unit can be used for any unlawful, illegal, or extra hazardous business, use or purpose or in such a manner as to constitute a nuisance of any kind (private or public).

Section 2. Use of Common Elements

2.1 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.

2.2 No furniture, packages or objects of any kind shall be placed in the lobbies, vestibules, public halls, stairways, or any other part 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 Board. The lobbies, vestibules, public halls, and stairways shall be used only for normal passage through them.

2.3 The owner of any two or more Residential Units, which Units are serviced or benefited by any Residential 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 Board (which consent shall not be unreasonably withheld or delayed), have the exclusive right of use of such Residential 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, maintenance and repair of such Residential Common Element for so long as such owner exercises such exclusive right of use, and (b) restore such Residential Common Element to its original condition, reasonable wear and tear expected, 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 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.

Section 3. Other Provisions as to Use. No nuisance shall be allowed in the Building nor shall any use or practice be allowed in the Building 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 Building or any portion thereof. All valid Laws, zoning ordinances and regulations of governmental bodies having jurisdiction thereof, relating to any portion of the Property shall be complied with at the full expense of the respective Unit Owners or the Board, whoever shall have the obligation to maintain such part of the Property.

Section 4. Right of Access.

4.1 Each Unit Owner grants a right of access to such Unit Owners Unit to the Board, the managing agents, managers, and/or any other person authorized by any of the foregoing. In case of an emergency, such right of entry shall be immediate, without advance notice, whether or not the Unit owner is present.

4.2 Each Unit Owner grants a right of access to such Unit Owner's Unit, and the Board shall grant rights of access to the Common Elements to Sponsor 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.

4.3. Notwithstanding anything to the contrary contained in these By-Laws or the Declaration or the Rules and Regulations, such right of access shall not, to the extent commercially reasonable, interfere with the normal conduct of the business of the Commercial Unit or reduce the square footage of any Commercial Unit, and further provided that the Board shall not access or permit any party to access the Commercial Unit without at least five (5) business' days' notice to the Commercial Unit Owner, except in the case of an emergency.

Section 5. 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 the Limited Common Elements. The Board of Managers may from time to time, modify, amend or add to the Rules and Regulations except that a majority of Unit Owners may overrule the Board with respect to any such modification, amendment or addition, and provided that any Rules and Regulations and/or amendments thereto that adversely affect the ownership, use or operation of the Commercial Units or increases the obligations of the Commercial Unit Owners or materially and adversely affects or diminishes the rights of the Commercial Unit Owners shall require the consent of the Commercial Board Member. The Board of Managers 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, amendment or additions thereto, shall be furnished by the Board to each Unit Owner not less than 30 days prior to the effective date thereof.

Section 6. Water/Sewer. Water and sewer charges for the Condominium will be supplied by the utility company servicing the water system and commonly metered for the Building. The Board shall allocate the water/sewer charges amongst Unit Owners in accordance with the Budget Allocation.

Section 7. Gas. There is a separate gas meter for each Commercial Unit, and each Commercial Unit Owner shall be responsible for gas charges supplied to its Unit directly to the utility company supplying the gas service. There will be one (1) gas meter for all of the Residential Units. Gas charges for the Residential Units shall be allocable to all Residential Unit Owners in accordance with their Residential Common Interest percentage.

Section 8. Electricity. Electricity for each Unit will be supplied by the utility company servicing the electrical system and separately metered or sub-metered for each Unit.

Each Unit Owners shall be required to pay the bills for electricity consumed or used in such Unit Owners Unit (or portion thereof) and the Limited Common Elements to which such Unit has exclusive access, directly to utility company or as directed by the Board.

Section 9. Utilities Servicing the General Common Elements. Except as otherwise provided in this Article 8, the cost and expense of water, sewer facilities, steam, electricity and gas serving or benefiting any General Common Element shall be (a) considered part of the expense of maintaining such General Common Element, (b) determined by the Board and (c) charged to the Unit Owners as a Common Expense. Any dispute as to the amount of such cost or expense shall be determined by Arbitration in accordance with Article 33 of the Declaration.

Section 10. Abatement and Enjoinment of Violations by Unit Owners

9.1 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 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 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.

9.2 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 Sponsor or its designee shall give to Sponsor 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.

9.3 In the event the Board and/or the Sponsor (hereinafter the "Creditor Party") takes any action or brings any proceeding against a Unit Owner (excluding Sponsor) (hereinafter the "Defaulting Unit Owner") pursuant to the provisions of the Condominium Documents, the Defaulting Unit Owner shall reimburse the Creditor Party for all reasonable costs and charges incurred by the Creditor Party in connection therewith, including without limitation, attorneys' fees, together with all reasonable out of pocket costs and expenses incurred by the Creditor Party, together with interest on all of the foregoing at the rate of interest of 1.5% per month (but in no event in excess of the maximum rate permitted by Law) from the date of the payment or performance of the service by the Creditor Party may bill the Defaulting Unit Owner therefor at any time. Funds expended by the Creditor Party plus interest earned thereon, as aforesaid, shall be deemed a charge assessed against the Defaulting Unit Owners Unit and the failure to make such reimbursement shall be deemed a default in the payment of Common Charges subject to the provisions governing such defaults as set forth in the Condominium Act and the By-Laws and

the Board, upon receipt of such funds from the Defaulting Party shall promptly reimburse the Creditor Party.

ARTICLE IX

DEFAULT

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” of no more than \$150.00, 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, attorney’s fees paid or incurred by the 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 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 Board may suspend a Unit Owner’s voting rights and privileges for failure to pay any Common Charges or Assessments due.

In any action brought by the board to foreclose a lien on a Unit because of unpaid Common Charges, the Unit Owner shall be required to pay a reasonable rental for the use and occupancy of 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 Board, acting on behalf of all Unit Owner’s, shall have the power to purchase any such Unit, 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. Notwithstanding anything to the contrary set forth above, the Board, at the request of Sponsor, will enter into a recognition agreement with any tenant with which Sponsor has entered into a lease. Under the terms of the recognition agreement, the tenant will acknowledge that the lease is subject and subordinate to the Declaration and the Board will agree that so long as there is no event of default under said lease, as would entitle the Sponsor or any successor landlord under the lease to terminate the lease or dispossess the tenant thereunder, the tenant shall not be named or joined in any action or proceeding to foreclose the Board lien on such Unit for Common Charges or any other sums of any sort, and the Board shall agree that the lease shall not be terminated nor shall the tenants use, possession, or enjoyment of the Unit in question be

interfered with, nor shall the fee estate granted by the lease be affected in any manner, nor shall any of the rights of the tenant granted under the lease be affected in any manner, in any foreclosure or other action or proceeding instituted under or in connection with such lien or in the exercise of any rights of the Board, or, in case the Board takes possession of the Unit pursuant to any provision of the Declaration or By-Laws, or otherwise; provided however that the Board or any other party succeeds to the interests of the Sponsor under the lease, the tenant will agree to be bound to the Board or party under all of the terms, covenants and conditions of the lease and will satisfy the obligations of the Unit Owner under the Declaration, by-Laws and Lease, and that the tenant will attorn to the Board or party as its landlord and comply with all of the obligations of the Unit Owner under the lease.

Each Unit Owner, for himself, his heirs, successors and assigns, agrees to the foregoing provisions relating to default, regardless of the harshness of the remedy available to the Condominium and regardless of the availability of other equally adequate legal procedures. It is the intent of all Unit Owners to give the Condominium a method and procedure which will enable it at all times to operate on a business-like basis, to collect those monies due and owing it from the Unit Owners and to preserve each Unit Owner's right to enjoy his Unit free from unreasonable restraint.

ARTICLE X

AMENDMENTS

These By-Laws may be altered, amended or added to at any duly called Unit Owners' meeting provided: (1) that the notice of the meeting shall contain a full statement of the proposed amendment; (2) that the amendment shall be approved by sixty-seven percent (67%) of the Unit Owners and if material in nature by fifty one (51%) percent of the Registered Mortgagees; and (3) said amendment shall be set forth in a duly recorded amendment to the Declaration. However, no amendment shall affect or impair the validity or priority of the Unit Owner's interests and the interests of holders of a mortgage encumbering a Unit or Units, or adversely affect Sponsor's rights.

A written notice will be sent certified or registered mail with a "return receipt" requested to Registered Mortgagee's and Registered Guarantor's notifying them of any material change to the Documents.

Approval or consent to any change to the Documents by a Registered Mortgagee will be implied if the Registered Mortgagee fails to submit a response to any written proposal for an amendment within sixty (60) days after it receives proper notice of the proposal, provided the notice was delivered by certified or registered mail, with a "return receipt" requested.

Notwithstanding anything to the contrary contained in this Article X or elsewhere in these By-Laws or the Declaration, the written consent of the Commercial Board Member shall

be required with respect to any amendment to the Declaration and/or the By-Laws which may adversely affect the ownership, use or operation of the Commercial Units or increase the obligations of the Commercial Unit Owners or adversely affect or diminish the rights of the Commercial Unit Owners or its tenants to use the Commercial Units for their permitted purposes or shall change the Budget Allocation shall require the consent of the Commercial Board Member. Any provision of the By-Laws benefitting, protecting or otherwise affecting only the Commercial Units or the Commercial Unit Owners may be amended, modified, added to or deleted by the vote of the Commercial Board Member, provided the same does not have a material and adverse effect on the General Common Elements, Residential Common Elements, Residential Limited Common Elements, the Residential Units, and/or the Residential Unit Owners.

ARTICLE XI

SELLING, MORTGAGING AND LEASING UNITS

Section 1. Selling and Leasing of Units.

No Unit Owner, other than the Declarant, may convey his Unit or any interest therein by sale or lease except in the manner set forth in this Section. Notwithstanding anything to the contrary contained in these By-Laws or the Declaration, the Commercial Unit Owners shall each have the right to sell or lease all or any portion of their respective Unit without any restrictions and without the consent of the Board of Managers or any other Unit Owner, provided, however, that (i) such sale or lease is in compliance with the Declaration and these By-Laws; and (ii) any proposed use by any purchaser or tenant shall comply with the terms of these By-Laws and the Declaration.

1.1 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 Unit Power of Attorney required under the Declaration, in the form set forth in Part II of the Plan.

1.2 Sale and Lease of Units. No Unit Owners, other than the Declarant, may convey his or her Unit or any interest therein by sale or lease except in the manner set forth in this Section. Any sale or lease of any Unit in violation of this Section shall be voidable at the election of the Board

1.2.1 Right of First Refusal. Other than a sale or lease by Declarant or a successor of Declarant, any lease or sale of a Residential Units shall be subject to the Board's right of first refusal.

- (a) Any contract to sell a Residential Unit, together with the Appurtenant Interests, and any lease of any Residential Unit ("Sale Agreement" or "Lease Agreement") shall contain the following language: "THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER ARE HEREBY MADE EXPRESSLY SUBJECT TO

THE RIGHTS IF ANY, OF THE BOARD OF MANAGERS OF THE CONDOMINIUM WITH RESPECT TO THE TRANSACTION EMBODIED HEREIN PURSUANT TO THE TERMS OF THE BY-LAWS OF THE CONDOMINIUM, AS THE SAME MAY HAVE BEEN AMENDED.” Promptly after such bona fide Sale Agreement or Lease Agreement shall be fully executed, the Unit Owner executing the same (“Offeree Unit Owner”) shall send written notice thereof to the Condominium Board by certified or registered mail, or overnight mail, which notice shall be accompanied by a copy of the fully executed Sale Agreement or Lease Agreement, as the case may be, containing all of the terms offered in good faith by the prospective purchaser or tenant (“Outside Offeror”). The sending of this notice shall constitute an offer by the Offeree Unit Owner to sell the Unit, together with its appurtenant interests, or to lease the Unit, as the case may be, to the Board or to its designee, corporate or otherwise, on behalf of all Unit Owners. The giving of such notice shall further constitute a representation and warranty by the Offeree Unit Owner to the Board, on behalf of all Unit Owners, that such Offeree Unit Owner believes the Sale Agreement or Lease Agreement to be bona fide in all respects. Thereafter, upon the written demand, the Offeree Unit Owner shall submit to the Board, in writing, such further information with respect to the Outside Offeror and the Sale Agreement or Lease Agreement as the Board may reasonably request.

- (b) The Board may elect, by sending written notice thereof to the Offeree Unit Owner by certified or registered mail, or overnight mail, not later than thirty (30) days (in the event of a proposed sale) and fifteen (15) business days (in the event of a proposed lease) after receipt of (i) the notice referred to in subparagraph (a) hereof, or (ii) all other information reasonably required by the Board, whichever is later, to purchase or lease the Offeree Unit, as the case may be, on behalf of all Residential Unit Owners upon the same terms and conditions as were contained in the Sale Agreement or Lease Agreement. Notwithstanding anything to the contrary contained herein, however, the Board shall not exercise any option pursuant to this right of first refusal to purchase or lease any Residential Units without the prior approval of a Majority of Residential Unit Owners by number.
- (c) In the event the Board fails to exercise its right of first refusal within the time period set forth in subparagraph (b) above, the Offeree Unit Owner shall be free to consummate the transaction embodied in the Sale Agreement or Lease Agreement within sixty (60) days after (i) notice of refusal is sent to the Offeree Unit Owner by the Board, or (ii) the expiration of the period in which the Board might have accepted such offer, as the case may be. If the Offeree Unit Owner shall fail to consummate the transaction embodied in the Sale Agreement or Lease Agreement within such sixty (60) day period, then, should the Offeree Unit Owner thereafter elect to sell such Residential Units or to lease such Unit, the Offeree Unit Owner shall be required again to comply with all of the terms and provisions of subparagraphs (a) and (b) hereof, but not more often than once in any twelve (12) month period. The Board shall have the right to waive this requirement for good cause shown, in its sole discretion.
- (d) The Board shall not discriminate against any person on the basis of race, creed, color, national origin, sex, age, disability, marital status, or other grounds prohibited by law in exercising its right of first refusal set forth herein.

- (e) The Board may use the Unit for any legal purpose and in accordance with the Declaration and the By-Laws.
- (f) In the event the Board does exercise its right of first refusal with respect to the sale of a Residential Units, the acquisition of the Unit may be made from the working capital and Common Charges, or, if such funds are insufficient, the Board of Managers may assess each Residential Unit Owners, other than the offering Unit Owner, in proportion to each Residential Unit Owners' percentage of Residential Common Interest, or may borrow money to finance such acquisition. The sole security which may be given for any funds so borrowed is the Unit to be acquired. The Board may also assess each Residential Unit Owners, as provided above, for Common Charges for the Unit, or the rent due pursuant to the Lease, and for the cost of maintenance and repairs to such Unit. Neither the Board nor any Residential Unit Owners shall be entitled to cast any votes attributable to such Residential Units. After the Board takes possession of the Unit, the proceeds of the lease, or proceeds from a sale of the Unit then held by the Condominium, may be distributed in one of three ways in the sole discretion of the Board: (i) the proceeds can be put into the Working Capital Fund; (ii) the proceeds can be put into the Reserve Fund; or (iii) the proceeds can offset Common Charges payable by the Residential Units.

1.3 Payment of Assessments. Any Unit may be conveyed or leased by its owner free of any restrictions except that no Unit Owner shall convey, mortgage, pledge, hypothecate, sell his Unit unless and until all unpaid Common Charges assessed against his Unit shall have been paid to the Board Managers. However, such unpaid Common Charges can be paid out of the proceeds from the sale of a Unit or by the grantee. A Unit with unpaid Common Charges that is leased by its owner shall be paid from the proceeds of the lease of that Unit. Further, a Unit Owner may convey his Unit and his Common Interest appurtenant thereto, to the Board of Managers on behalf of all Unit Owners free of any cost to the Board or the Unit Owners and upon such conveyance such Unit Owner shall not be liable for any Common Charges thereafter accruing against such Unit. Any sale or lease of any Unit in violation of this Section shall be voidable at the election of the Board. The provisions of this Section shall not apply to the acquisition or sale of a Unit by a mortgagee who shall acquire title to such Unit by foreclosure or by deed in lieu of foreclosure. Such provisions shall, however, apply to any Purchaser from such mortgagee. The provisions of this section shall not apply to a Unit owned by the Sponsor or its designee until a deed to such Unit has been delivered to a purchaser thereof.

Whenever the term "Unit" is referred to in this Section, it shall include the Unit, the Unit Owner's undivided interest in the Common Elements and the Unit Owner's interest in any Units acquired by the Board of Managers.

Section 2. Waiver of Partition Rights. The Unit Owners waive all rights to partition their Unit except as otherwise set forth herein.

Section 3. Mortgaging of Units. No Unit Owner may mortgage his Unit except by

a mortgage loan granted by a federal or state savings and loan association, savings or commercial bank, life insurance company, pension fund, trust company, agency of the United States Government or of the City or State of New York or other similar institutional lender provided that (i) the mortgage shall be substantially in the form of the New York statutory mortgage, (ii) the Board of Managers is notified in writing of the making of the mortgage and receives a conformed copy of the mortgage and note, (iii) the mortgage states that if consent by the mortgagee is required to any amendment to the Condominium Declaration and By-Laws such consent will not be unreasonably withheld or delayed, and (iv) the Unit Owner making such mortgage first pays all assessments and Common Charges previously assessed by the Board of Managers against the Unit, and satisfies all unpaid liens against the Unit, except for the lien of a permitted mortgage. Notwithstanding the foregoing, the Sponsor and Sponsor's designee shall have the right to mortgage their Units without restrictions or limitation, but any such mortgage shall contain the representations in clauses (iii) and (iv) of this paragraph (if applicable).

Registered Mortgagees holding mortgages on Units that constitute a majority of the common interests (except where noted otherwise) of the Units that are subject to Registered Mortgages must consent to: (i) any change in the Plan, or the Documents that might have an adverse material impact on the Registered Mortgagees are expressly for the benefit of holders of first mortgages on the Units; (ii) any election to terminate the condominium after substantial destruction or substantial taking in a condemnation said consent to be given by 51% of the Registered Mortgagees; (iii) any reallocation of common interests resulting from a partial condemnation or destruction; and (iv) any material change in the Documents affecting:

- (a) Voting;
- (b) Assessments;
- (c) Priority of Liens;
- (d) Reserves for maintenance or replacement;
- (e) Insurance or fidelity bond requirements;
- (f) Rights to use of common elements;
- (g) Responsibility for maintenance and repair for the Condominium;
- (h) Expansion or contraction of the Condominium;
- (i) Boundaries of any Unit;
- (j) Common Interests;
- (k) Conversion of Units into Common Elements or vice versa;
- (l) Leasing of Units;
- (m) Change in right of first refusal requirements; or
- (n) Establishment of self-management

Section 4. Gifts, etc. Any Unit Owner may convey or transfer his Unit by gift during his lifetime or devise his Unit by will or pass same by intestacy without restriction.

Section 5. Leasing. Leases on Units owned by the Sponsor or Unit Owner shall have a minimum term of one (one) year. All leases shall be in writing and are subject to these By-Laws.

ARTICLE XII

CONDEMNATION

In the event all or part of the Common Elements are taken in condemnation or eminent domain proceedings, the award from such proceedings shall be paid to the Insurance Trustee if the award is more than \$100,000.00, and to the Board of Managers if the award is \$100,000.00 or less, to be distributed in accordance with Section 3 of ARTICLE VII but in the following amounts:

(a) So much of the award as is applicable to unrestricted Common Elements, to the Unit Owners pro rata according to their respective Common Interests appurtenant to the Units owned by such Unit Owners.

(b) So much of the award as is applicable to irrevocably restricted Common Elements, to the Unit Owners having general use of such Common Elements. Any change in the provisions of this Article shall not be valid unless a majority of the Registered Mortgagees approves such a change.

In such eminent domain or condemnation proceeding, the Board shall request that the award shall set forth the amount allocated to unrestricted Common Elements and to each irrevocably restricted Common Element. In the event the award does not set forth such allocation, then the question of such allocation shall be submitted to arbitration in accordance with the Arbitration Statutes of the State of New York.

ARTICLE XIII

RECORDS AND AUDITS

Section 1. Records The Board or the Managing Agent shall keep detailed records of the actions of the Board, minutes of the meetings of the Board, minutes of the meetings of the Units Owners for whom the Board serves and financial records and books of account with respect to the activities of the Board, including a listing of all receipts and expenditures. In addition, the Board of Managers shall keep a separate account for each Unit, which among other things, shall contain the amount of each assessment of Common Charges made by the Board of Managers against each such Unit, the date when due, the amounts paid thereon and the balance, if any, remaining unpaid.

Section 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 Board of Managers to all Unit Owners and, if so requested, to any Registered Mortgagee. The cost of such report submitted by the Board of Managers shall be paid by the Unit Owners as a Common Charge.

Section 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 Board and shall be available for inspection by Unit Owners and their authorized agents during reasonable business hours.

ARTICLE XIV **ARBITRATION**

Section 1 General Procedure. Any arbitration provided for in these By-Laws shall be conducted before one arbitrator in New York City by the American Arbitration Association or any successor organization thereof, in accordance with its rules then in effect and the 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 14 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.

Section 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 Board in connection with any arbitration held hereunder, including, without limitation, the fees and expenses of counsel and expert witnesses will constitute Common Charges.

Section 3 Agreement by Parties. The parties to any dispute required or permitted to arbitration hereunder may, by mutual agreement between them, vary any of the provisions of Section 9.1 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."

ARTICLE XV

MISCELLANEOUS

Section 1. Insurance. Under no circumstances shall a Unit Owner permit or suffer anything to be done or left in his Unit that will increase the insurance rates on his Unit or any other Unit or on the Common Elements.

Section 2. Severability. Should any of the covenants, terms or provisions herein imposed be void or be or become unenforceable at law or in equity, the remaining provisions of these By-Laws shall, nevertheless, be and remain in full force and effect.

Section 3. Notice to Condominium. A Unit Owner who mortgages his Unit shall notify the Condominium through the Managing Agent, if any, or the President of the Board of Managers in the event there is no Managing Agent, of the name and address of his mortgagee; and the Board of Managers shall maintain such information in a book entitled "Mortgagees of Units."

Section 4. Notice of Unpaid Assessments. The Board of Managers shall, at the request of a Registered Mortgagee or a Unit Owner, report any unpaid assessments due from the Unit Owner of such Unit.

Section 5. Construction. Wherever the masculine singular form of the pronoun is used in these By-Laws, it shall be construed to mean the masculine, feminine or neuter, singular or plural, wherever the context so requires.

Section 6. Compliance with Article 9-B. These By-Laws are set forth to comply with the requirements of Article 9-B of the Real Property Laws of the State of New York. In case any of these By-Laws conflict with the provisions of said Statute or the Declaration, the provisions of the Statute or of the Declaration, whichever the case may be, shall control.

Section 7. Condominium Plan. In the event of any conflict between the provisions herein and those of the Offering Plan filed by Sponsor (the Sponsor under the Declaration of Condominium), and any amendment thereto, the provisions of the Offering Plan shall govern.

Section 8. Encroachments. In the event any portion of the Common Elements encroaches upon any Unit or a Unit encroaches upon a Common Element (the "Encroachment") and such Encroachment does not materially affect either the Unit or the Common Element, the Encroachment shall be a valid easement against the encroached owner with the maintenance for the Encroachment being the responsibility of the encroaching party.

Section 9. Depository. The Depository shall be a savings bank, a savings and loan association or a commercial bank or trust company designated by the Board to serve as Depository, provided all funds held by such Depository shall be held in New York City or Kings

County. In the event the Depository resigns or the Board wishes to replace it, the Board shall promptly appoint a new Depository in accordance with the terms of this Section. The Board shall pay the fees and disbursements of any Depository and such fees and disbursements shall constitute a Common Charge. The Depository 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 Sponsor's construction or permanent lender, and subject to the foregoing requirements, such lender shall be the Depository until its release of all Units from the lien of its mortgage.

Section 10. Successors and Assigns. Except as set forth herein or in the Declaration to the contrary, the rights and/or obligations of Sponsor or its designee as set forth herein shall inure to the benefit of and be binding upon any successor or assign of Sponsor or its designee or, with the consent of Sponsor or its designee, any transferee of some or all then Unsold Units then owned by Sponsor or its designee as the case may be. Subject to the foregoing, Sponsor and 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.

Section 11. Covenant of Further Assurances.

Section 11.1 Any party which is subject to the terms of these By-Laws, whether such party is a Unit Owner, a lessee or sublessee of a Unit Owner, an occupant of a Unit, a member or officer of the Board, or otherwise, shall, upon prior reasonable written request 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.

Section 11.2 If any Unit Owner, 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, Board 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, acknowledgement or delivery, and to the Board, stating the reasons why such Unit Owner, Board or other party refuses to execute, acknowledge or deliver such instruments or take such action, then the Board which represents such Unit Owner, 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, Board or other party and such document or action shall be binding on such Unit Owner, Board or other party.

Section 11.3 If any Unit Owner, 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, Board or party is required to execute, acknowledge and deliver or to take pursuant to these By-Laws at the request of Sponsor or its designee, or (ii) to deliver a written notice to Sponsor or its designee, as applicable, and to the Board stating the reasons why such Unit Owner, the Board or other party refuses to execute, acknowledge or deliver such instrument or take such action, then Sponsor or its designee is hereby authorized, as attorney-in-fact for such Unit Owner, the Board or other party, coupled with an interest, to execute, acknowledge and deliver such instrument, or take such action, in the name of such Unit Owner, the board or other party and such document or action shall be binding on such Unit Owner, the Board or other party, as the case may be.

Section 12 First Mortgagees Rights Confirmed No provision of the Documents gives a Condominium Unit Owner or any other party priority over any rights of the first mortgagee of the Condominium Unit pursuant to its mortgage in the case of payment to the Unit Owner of insurance proceeds or condemnation awards for losses to or a taking of Condominium Units and/or common elements.

SCHEDULE A

RULES AND REGULATIONS

In addition to the other provisions of these By-Laws, the following House Rules and Regulations, together with such additional Rules and Regulations as may hereafter be adopted by the Board of Managers, shall govern the use of the Units and the conduct of all residents thereof:

1. Owners of a Unit, their employees, licensees and guests shall not use or permit the use of the premises in any manner which would be illegal or disturbing or a nuisance to other said Owners, or in such a way as to be injurious to the reputation of the Condominium.

2. The Common Elements and the Limited Common Elements shall not be obstructed, littered, defaced or misused in any manner, except as may be provided for herein.

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

4. Every Unit Owner must perform promptly all maintenance and repair work to its own Unit, which, if omitted, would affect the Condominium in its entirety or in a part belonging to other Unit Owners, or the Building of which its Unit forms a part, such Unit Owner being expressly responsible for the damages and liabilities that its failure to do so may engender. All the repairs to internal installations of the Unit located in and servicing only that Unit, such as telephones and sanitary installations, shall be at the Unit Owner's expense.

5. No Unit Owner shall paint the exterior surfaces of the windows and doors opening out of his Unit.

6. Each Unit Owner shall keep his 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.

7. Nothing shall be installed in or be projected from any window, balcony or wall of the Building by a Unit Owner without similar approval.

8. No Unit Owner or any of his agents, servants, employees, licensees or visitors shall at any time bring into or keep in his Unit any inflammable, combustible or explosive fluid, material, chemical or substance, except for normal household use.

9. No Unit Owner shall make or permit any disturbing noises in his Unit or do or

permit anything to be done therein which will interfere with the rights, comforts or conveniences of other Units Owners. No Unit Owner shall play upon or suffer to be played upon any musical instrument or operate or permit to be operated a CD player, radio or television set or other loud speaker in such Owner's Unit between the hours of 12:00 Midnight and the following 7:00 A.M. if the same shall disturb or annoy other occupants of the Building and in no event shall practice or suffer to be practiced either vocal or instrumental music between the hours of 10:00 P.M. and the follow 9:00 A.M.

10. No garments, rugs or similar items shall be hung from the windows or from any other part of the Building or balconies or clotheslines strung on or over the Common Elements (including any irrevocably restricted areas).

11. No sign of any kind shall be displayed to the public view on or in any Unit.

12. No birds, animals or reptiles, except dogs or cats, shall be permitted in any Unit unless the same shall have been expressly permitted in writing by the Board of Managers or the Managing Agent, and such permission shall be revocable at any time by the Board of Managers or Managing Agent in their sole discretion. No pet shall be permitted in the Common Elements, including dogs and cats, unless carried or on a leash.

13. No Unit Owner shall leave any personal property (i.e., bicycles, carriages etc.) to be left in the hallways, corridors, lobby or other common areas.

14. No one shall ride bicycles, mopeds or skateboards on any portion of the Common Elements.

15. Every Unit Owner shall comply with the recycling laws of the City of New York or any other governmental entity having jurisdiction thereof.

***THE 554 4TH AVENUE CONDOMINIUM OFFERING PLAN
CERTIFICATIONS***

CERTIFICATION BY SPONSOR

4 AVE BU LLC
308 Malcolm X Blvd
Brooklyn, New York 11233

New York State Department of Law
Real Estate Finance Bureau
120 Broadway, 23rd Floor
New York, NY 10271
Attn: Real Estate Finance Bureau

Re: The 554 4th Avenue Condominium
554 4th Avenue, Brooklyn, New York

The undersigned affirms as follows:

I am the Sponsor and the Principal of Sponsor of the Condominium offering for the captioned property. I understand that I have primary responsibility for compliance with the provisions of Article 23-A of the General Business Law, the regulations promulgated by the Attorney General in Part 20 and such other laws and regulations as may be applicable.

I have read the entire Offering Plan. I have investigated the facts set forth in the Offering Plan and the underlying facts. I have exercised due diligence to form a basis for this certification. I certify that the Offering Plan does, and that documents submitted hereafter by me which amend or supplement the Offering Plan will:

- (i) set forth the detailed terms of the transaction and be complete, current and accurate;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to form their judgment;
- (iii) not omit any material fact;
- (iv) not contain any untrue statement of a material fact;

- (v) not contain any fraud, deception, concealment, suppression, false pretense or fictitious or pretended purchase or sale;
- (vi) not contain any promise or representation as to the future that is beyond reasonable expectation or unwarranted by existing circumstances; and
- (vii) not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representations or statements made.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.

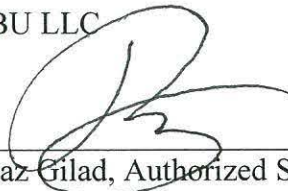
[SIGNATURE PAGE TO FOLLOW]

The undersigned makes this affirmation this 8 day of August, 2017.

SPONSOR:

4 AVE BU LLC

By:


Boaz Gilad, Authorized Signatory

Sworn to me this 8 day

of August, 2017


Notary Public

KAITLYN CORCORAN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01CO6344298
Qualified in Kings County
My Commission Expires 06-27-2020

PRINCIPAL:


Boaz Gilad

Sworn to me this 8 day

of August, 2017


Notary Public

KAITLYN CORCORAN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01CO6344298
Qualified in Kings County
My Commission Expires 06-27-2020

CERTIFICATION BY SPONSOR'S ARCHITECT

New York State Department of Law
Real Estate Finance Bureau
120 Broadway, 23rd Floor
New York, NY 10271
Attn: Real Estate Finance Bureau

Re: **The 554 Fourth Avenue Condominium**
554 Fourth Avenue, Brooklyn, New York

The undersigned certifies as follows:

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 inspected the existing portions of the property, if any, on February 16, 2017 and we examined the building plans and specifications that were prepared by ROART dated and approved on June 2, 2016 and prepared the Report dated May 12, 2017, a copy of which is intended to be incorporated into the Offering Plan so that prospective Purchasers may rely on the Report.

The undersigned is a registered architect in the State in which the property is located.

We understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to this Report.

We have read the entire Report and investigated the facts set forth in the Report and the facts underlying 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.

We certify that the Report:

- (i) sets forth 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 we examined;
- (ii) in our professional opinion affords potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the description and/or physical condition of the property as it will exist upon the completion of construction, provided that construction is in accordance with the plans and specifications that we examined;
- (iii) does not omit any material fact;
- (iv) does not contain any untrue statement of a material fact;
- (v) does not contain any fraud, deception, concealment, or suppression;
- (vi) does not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) does not contain any representation or statement which is false, where we
 - 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.

We further certify that I am not owned or controlled by and have no beneficial interest in the Sponsor and that my firm's 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.

[SIGNATURE PAGE TO FOLLOW]

By: Paul Gregory
Paul Gregory, RA



Seal

Sworn to me this

12 day of May, 2017

K. Corcoran
Notary Public

KAITLYN CORCORAN
NOTARY PUBLIC-STATE OF NEW YORK
No. 01CO6344298
Qualified in Kings County
My Commission Expires 06-27-2020

m a n h a t t a n
MODERN
m a n a g e m e n t

Licensed Real Estate Brokers

**CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET FOR THE FIRST YEAR OF
CONDOMINIUM OPERATION**

March 7, 2017

554 4th Avenue Condominium
c/o Elevation Holdings LLC
308 Malcolm X Boulevard
Brooklyn, New York 11233

Re: 554 4th Avenue Condominium
554 4th Avenue
Brooklyn, New York

The undersigned certifies as follows:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review Schedule B and Schedule B-1, containing projections of income and expenses for the condominium operation of the 554 4th Avenue Condominium for the first year of condominium operation. Our experience in the field includes the management of real estate properties in New York City for over 23 years. We currently manage approximately 30 properties, comprising approximately 340 residential and commercial units.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Attorney General in Part 20 insofar as they are applicable to Schedules B and B-1.

I 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. I also have relied on my experience as a residential real estate broker, consultant, appraiser and the management of residential buildings.

I 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.

I certify that the Schedules:

Manhattan Modern Management, Inc.

16 Penn Plaza, Suite 511, New York, N.Y. 10001 • Tel: (212)799-1358 • Fax: (646) 349-5957 • www.mmmgmt.com

- (i) set forth in detail the projected income and expenses for the first year of condominium operation;
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the first year of condominium operation;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth;
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that we are not owned or controlled by the sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the income and expenses for the first year of condominium operation. This certification is made under penalty or perjury for the benefit of all persons to whom this offer is made.

I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law.


Aster Johnson

Sworn to before me this

7 day of March, 2017.


Notary Public

NATALIE MUNOZ
NOTARY PUBLIC-STATE OF NEW YORK
NO. 01MU6333628
QUALIFIED IN KINGS COUNTY
MY COMMISSION EXPIRES 11-30-2017

m a n h a t t a n
MODERN
m a n a g e m e n t

Licensed Real Estate Brokers

**CERTIFICATION BY EXPERT ON ADEQUACY OF BUDGET
FOR COMMERCIAL UNIT FOR THE
FIRST YEAR OF CONDOMINIUM OPERATION**

March 7, 2017

New York State Department of Law
Real Estate Finance Bureau
120 Broadway -- 23rd Floor
New York, New York 10271

Re: 554 4th Avenue, Brooklyn, New York

Ladies and Gentlemen:

The Sponsor of the Condominium Offering Plan for the captioned property retained our firm to review or prepare Schedule B which includes projections of common charges payable by the owners of the commercial unit. Our experience in this field includes the management of real estate properties in New York. We currently manage approximately thirty (30) properties, comprising approximately three hundred forty (340) residential and commercial units.

I understand that we are responsible for complying with Article 23-A of the General Business Law and the regulations promulgated by the Department of Law in Part 20 insofar as they are applicable to the commercial unit listed in Schedule B.

I have reviewed the Schedule as it impacts upon the commercial unit and investigated the facts underlying it with due diligence in order to form a basis for this certification. I also have relied on our experience in managing residential buildings. We have 23 years of experience in the field.

I certify that the projections in Schedule B for common charges payable by the owners of commercial unit appear reasonable and adequate under existing circumstances to meet the anticipated operating expenses fairly attributable to such commercial unit(s) for the projected first year of condominium operation, and that the allocation of common charges attributable to the commercial unit also reflects special or exclusive use or availability or exclusive control of particular common areas.

I/We certify that the estimates in Schedule B for the common charges payable by the owners of the commercial unit:

- (i) set forth in detail the projected common charges for the commercial unit(s) for the first year of condominium operation;

Manhattan Modern Management, Inc.

16 Penn Plaza, Suite 511, New York, N.Y. 10001 • Tel: (212)799-1358 • Fax: (646) 349-5957 • www.mmmgmt.com

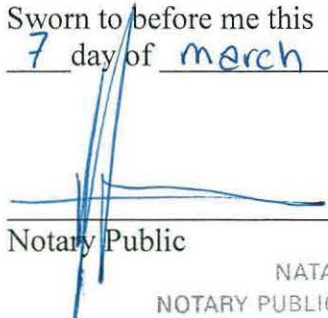
- (ii) afford potential investors, purchasers and participants an adequate basis upon which to found their judgment concerning the common charges payable by the owners of the commercial units;
- (iii) do not omit any material fact;
- (iv) do not contain any untrue statement of a material fact;
- (v) do not contain any fraud, deception, concealment, or suppression;
- (vi) do not contain any promise or representation as to the future which is beyond reasonable expectation or unwarranted by existing circumstances;
- (vii) do not contain any representation or statement which is false, where I/we:
 - (a) knew the truth;
 - (b) with reasonable effort could have known the truth;
 - (c) made no reasonable effort to ascertain the truth; or
 - (d) did not have knowledge concerning the representation or statement made.

I further certify that we are not owned or controlled by the Sponsor. I understand that a copy of this certification is intended to be incorporated into the Offering Plan. This statement is not intended as a guarantee or warranty of the common charges fairly attributable to the commercial unit for the first year of condominium operation.

This certification is made under penalty of perjury for the benefit of all persons to whom this offer is made. I understand that violations are subject to the civil and criminal penalties of the General Business Law and Penal Law."

By: 
Aster Johnson, Managing Member

Sworn to before me this
7 day of march, 2017


Notary Public

NATALIE MUNOZ
NOTARY PUBLIC-STATE OF NEW YORK
NO. 01MU6333628
QUALIFIED IN KINGS COUNTY
MY COMMISSION EXPIRES 11-30-2019